

GR HIGHWAYS INVESTMENT MANAGER PRIVATE LIMITED



28th May 2024

To

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street,

Mumbai – 400001

Scrip Code: 544137

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G

Bandra-Kurla Complex, Bandra(E)

Mumbai -400051

Symbol: BHINVIT

Subject: Valuation Report for all assets of Bharat Highways InvIT for Financial Year ended 31st March 2024

Dear Ma'am / Sir,

Pursuant to Regulation 21 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 read with circulars and guidelines issued thereunder from time to time (“**SEBI InvIT Regulations**”), please find enclosed the Full Valuation Report for all assets of Bharat Highways InvIT for the Financial Year ended on 31st March 2024, issued by Independent Valuer Mr. S. Sundararaman having IBBI Registration No. IBBI/RV/06/2018/10238.

Pursuant to Regulation 10 of the SEBI InvIT Regulations, the computation of NAV of Units of Bharat Highways InvIT is arrived at INR 114.12 as at 31st March 2024.

The report is also being uploaded on the website of the InvIT at: www.bharatinvit.com.

You are requested to take the same on your record.

Thanking you,

Yours sincerely,

**For GR Highways Investment Manager Private Limited
(Investment Manager to Bharat Highways InvIT)**

Mohnish Dutta

Company Secretary & Compliance Officer

M. No. FCS 10411

Encl: As Above

CC:

IDBI Trusteeship Services limited

Ground Floor, Universal Insurance Building

Sir P.M. Road, Fort,

Mumbai, Maharashtra - 400001

Registered Office: 2nd Floor, Novus Tower Plot No. 18, Sector-18, Gurgaon, Haryana-122015

CIN: U65999HR2022PTC102221 Email: cs@bharatinvit.com Phone No.: 0124-6435000

Prepared for:
Bharat Highways InvIT (“the Trust”)

GR Highways Investment Manager Private Limited (“the Investment Manager”)

Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended

Fair Enterprise Valuation

Valuation Date: 31st March 2024

Report Date: 27th May, 2024

Mr. S Sundararaman,
Registered Valuer,
IBBI Registration No - IBBI/RV/06/2018/10238

RV/SSR/R/2025/10

Date: 27th May, 2024

Bharat Highways InvIT

(acting through IDBI Trusteeship Services Limited [in its capacity as “the Trustee” of the Trust])
2nd Floor, Novus Tower, Plot No. 18,
Sub. Major Laxmi Chand Road, Sector-18,
Gurugram, Haryana – 122 015.

GR Highways Investment Manager Private Limited

(acting as the Investment Manager to Bharat Highways InvIT)
2nd Floor, Novus Tower, Plot No. 18,
Sub. Major Laxmi Chand Road, Sector-18,
Gurugram, Haryana – 122 015.

Sub: Financial Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended (“the SEBI InvIT Regulations”)

Dear Sir(s)/ Madam(s),

I, Mr. S. Sundararaman (“**Registered Valuer**” or “**RV**” or “**I**” or “**My**” or “**Me**”) bearing IBBI registration number IBBI/RV/06/2018/10238, have been appointed vide letter dated 24th April, 2024 as an independent valuer, as defined as per Regulation 2(zzf) of the SEBI InvIT Regulations, by **GR Highways Investment Manager Private Limited** (“**GHIMPL**” or “**the Investment Manager**”) acting as the investment manager for **Bharat Highways InvIT** (“**the Trust**” or “**Bharat InvIT**”), for the financial valuation of the special purpose vehicles (defined below and hereinafter together referred as “**the SPVs**”) of the Trust as per the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended (“**SEBI InvIT Regulations**”).

The SPVs are acquired by the Trust and are to be valued as per Regulation 21(4) read with Chapter V of the SEBI InvIT Regulations.

Following Special Purpose Vehicles are held under the Trust:

Sr. No.	Name of the SPV	Term
1	GR Phagwara Expressway Limited	GPEL
2	Porbandar Dwarka Expressway Private Limited	PDEPL
3	GR Gundugolanu Devarapalli Highway Private Limited	GDHPL
4	GR Akkalkot Solapur Highway Private Limited	GASHPL
5	Varanasi Sangam Expressway Private Limited	VSEPL
6	GR Sangli Solapur Highway Private Limited	GSSHPL
7	GR Dwarka Devariya Highway Private Limited	GDDHPL

(Hereinafter all the seven companies mentioned above are together referred to as “**the SPVs**”)

I am enclosing the Report providing opinion on the fair enterprise value of the SPVs as defined hereinafter on a going concern basis as at 31st March 2024 (“**Valuation Date**”).

Enterprise Value (“**EV**”) is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

I was further requested by the Investment Manager to provide the adjusted enterprise value of the SPVs as at 31st March 2024, where the adjusted enterprise value (“**Adjusted EV**”) is derived as EV as defined above plus cash or cash equivalents of the SPVs as at 31st March 2024.

I have relied on explanations and information provided by the Investment Manager. Although, I have reviewed such data for consistency, those are not independently investigated or otherwise verified. My team and I have no present or planned future interest in the Trust, the SPVs or the Investment Manager except to the extent of this appointment as an independent valuer and the fee for this Valuation Report (“**Report**”) which is not contingent upon the values reported herein. The valuation analysis should not be construed as investment advice, specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

The analysis must be considered as a whole. Selecting portions of any analysis or the factors that are considered in this Report, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The information provided to me by the Investment Manager in relation to the SPVs included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiry to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

The valuation provided by RV and the valuation conclusion are included herein and the Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by the Securities and Exchange Board of India (“SEBI”) thereunder.

Please note that all comments in the Report must be read in conjunction with the caveats to the Report, which are contained in Section 11 of this Report. This letter, the Report and the summary of valuation included herein can be provided to Trust’s advisors and may be made available for the inspection to the public and with the SEBI, the stock exchanges and any other regulatory and supervisory authority, as may be required.

I draw your attention to the limitation of liability clauses in Section 11 of this Report.

This letter should be read in conjunction with the attached Report.

Yours faithfully,

SWAMINATHAN
SUNDARARAM
AN

Digitally signed by
SWAMINATHAN
SUNDARARAMAN
Date: 2024.05.27
21:25:33 +05'30'

S. Sundararaman
Registered Valuer
IBBI Registration No.: IBBI/RV/06/2018/10238
Asset Class: Securities or Financial Assets
Place: Chennai
UDIN: 24028423BKGAAAX8452

Definition, Abbreviation & Glossary of terms

Abbreviations	Meaning
BOT	Build, Operate and Transfer
Capex	Capital Expenditure
CCM	Comparable Companies Multiples
COD	Commercial Operation Date
CTM	Comparable Transactions Multiples
DCF	Discounted Cash Flow
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EV	Enterprise Value
FCFF	Free Cash Flow to the Firm
FDI	Foreign Direct Investment
FY	Financial Year Ended 31 st March
GASHPL	GR Akkalkot Solapur Highway Private Limited
GDDHPL	GR Dwarka Devariya Highway Private Limited
GDHPL	GR Gundugolanu Devarapalli Highway Private Limited
GPEL	GR Phagwara Expressway Limited
GR Infra/Settlor	G R Infraprojects Limited
GSSHPL	GR Sangli Solapur Highway Private Limited
HAM	Hybrid Annuity Model
Ind AS	Indian Accounting Standards
INR	Indian Rupee
Investment Manager/ GHIMPL	GR Highways Investment Manager Private Limited
IVS	ICAI Valuation Standards 2018
Kms	Kilometers
MMR	Major Maintenance and Repairs
Mn	Million
MoRTH	Ministry of Road Transport and Highways
NAV	Net Asset Value Method
NH	National Highway
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
NS-EW	North- South and East-West Corridors
O&M	Operation & Maintenance
PDEPL	Porbandar Dwarka Expressway Private Limited
PPP	Public Private Partnership
RFID	Radio Frequency Identification
RV	Registered Valuer
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
SH	State Highway
Sponsor/ AIPL	Aadharshila Infratech Private Limited
SPV	Special Purpose Vehicle
Trustee	IDBI Trusteeship Services Limited
VSEPL	Varanasi Sangam Expressway Private Limited

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1. Executive Summary

1.1. Background

The Trust

- 1.1.1. Bharat Highways InvIT ("**Bharat InvIT**" or "**the Trust**") was established on 16th June 2022 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882. The Trust is registered as an Indian infrastructure investment trust with the Securities and Exchange Board of India ("**SEBI**") with effect from 3rd August 2022, bearing registration number IN/InvIT/22-23/0023, pursuant to the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time ("**the SEBI InvIT Regulations**").
- 1.1.2. Bharat Highways InvIT is an infrastructure investment trust established to acquire, manage and invest in a portfolio of infrastructure assets across sectors and/or securities of companies engaged in the infrastructure sector.
- 1.1.3. IDBI Trusteeship Services Limited ("**the Trustee**") has been appointed as the Trustee of Bharat InvIT.
- 1.1.4. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 12th March 2024.
- 1.1.5. Unit holding pattern of the Trust as on 31st March 2024 is as follows:

Particulars	No. of Units	%
Sponsor & sponsor group	6,64,50,000	15.00%
Mutual Funds	9,09,19,358	20.53%
Financial Institutions/Banks	59,97,787	1.35%
Insurance Companies	1,48,50,422	3.35%
Foreign Portfolio Investors	88,77,193	2.00%
Alternative Investment Fund	56,38,311	1.27%
Non-institutional investors	25,02,05,534	56.49%
Total Outstanding Units	44,29,38,605	100.00%

The Sponsor

- 1.1.6. G R Infraprojects Limited ("**the Settlor**" or "**GR Infra**") has settled the infrastructure investment trust under the SEBI InvIT Regulations called "**Bharat Highways InvIT**" ("**Bharat InvIT**" or "**the Trust**") as an irrevocable trust under the provisions of the Indian Trusts Act, 1882, pursuant to the trust deed dated 16th June 2022.
- 1.1.7. Aadharshila Infratech Private Limited ("**the Sponsor**" or "**AIPL**") is the sponsor of Bharat InvIT as per the amended & restated trust deed of Bharat InvIT dated 31st October 2023.
- 1.1.8. The Sponsor is a private company, limited by shares and was incorporated on 30th June 2010 under the Companies Act, 1956.
- 1.1.9. Equity shareholding of the Sponsor as on 31st March 2024 is as under:

Sr. No.	Particulars	No. of shares	%
1	Riya Agarwal	4,300	43.00%
2	Rahul Agarwal	3,185	31.85%
3	Mehul Agarwal	2,515	25.15%
	Total	10,000	100.00%

Source: Investment Manager

The Settlor

- 1.1.10. G R Infraprojects Limited ("the Settlor" or "GR Infra") was incorporated on 22nd December 1995 under the Companies Act, 1956. The equity shares of GR Infra are listed on the National Stock Exchange of India Limited and BSE Limited since 19th July 2021.
- 1.1.11. GR Infra is engaged in integrated road engineering, procurement and construction with an experience of over 25 years in design and construction of various road / highway projects across 16 states in India.

The Investment Manager

- 1.1.12. GR Highways Investment Manager Private Limited ("GHIMPL" or "the Investment Manager") has been appointed as the Investment Manager to the Trust by the Trustee and will be responsible to carry out the duties of such person as mentioned under the SEBI InvIT Regulations.
- 1.1.13. Shareholding of the Investment Manager as on 31st March 2024 is as under:

Sr. No.	Particulars	No. of shares	%
1	Lokesh Builders Private Limited	1,99,99,990	99.99%
2	Purshottam Agarwal	10	Negligible
Total		2,00,00,000	100.00%

Source: Investment Manager

Financial Assets to be Valued

- 1.1.14. The financial assets under consideration are valued at Enterprise Value and Adjusted Enterprise Value of the following:

Sr. No.	Name of the SPV
1	GR Phagwara Expressway Limited ("GPEL")
2	Porbandar Dwarka Expressway Private Limited ("PDEPL")
3	GR Gundugolanu Devarapalli Highway Private Limited ("GDHPL")
4	GR Akkalkot Solapur Highway Private Limited ("GASHPL")
5	Varanasi Sangam Expressway Private Limited ("VSEPL")
6	GR Sangli Solapur Highway Private Limited ("GSSHPL")
7	GR Dwarka Devariya Highway Private Limited ("GDDHPL")

(Together referred to as "the SPVs")

Purpose of Valuation

- 1.1.15. As per Regulation 21(4) of Chapter V of the SEBI InvIT Regulations:

"A full valuation shall be conducted by the valuer not less than once in every financial year: Provided that such full valuation shall be conducted at the end of the financial year ending March 31st within two months from the date of end of such year"

- 1.1.16. In this regard, the Investment Manager has appointed me, S. Sundararaman ("Registered Valuer" or "RV" or "I" or "My" or "Me") bearing IBBI registration number IBBI/RV/06/2018/10238 to undertake fair valuation of the SPVs at the enterprise level as per the extant provisions of the SEBI InvIT Regulations issued by SEBI. Enterprise Value ("EV") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.
- 1.1.17. Further, on the request of the Investment Manager, I have calculated Adjusted Enterprise Value of the SPVs which is derived as the EV as defined above plus cash or cash equivalents of the SPVs as at the Valuation Date.

1.1.18. I declare that:

- i. I am competent to undertake the financial valuation in terms of the SEBI InvIT Regulations;
- ii. I am not an associate of the Sponsor(s) or Investment Manager or Trustee and I have not less than five years of experience in valuation of infrastructure assets;
- iii. I am independent and have prepared the Report on a fair and unbiased basis;
- iv. I have valued the SPVs based on the valuation standards as specified / applicable as per SEBI InvIT Regulations.

1.1.19. This Report covers all the disclosures required as per the SEBI InvIT Regulations and the Valuation of the SPVs is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

1.2. Scope of Valuation

1.2.1. **Nature of the Asset to be Valued**

The RV has been mandated by the Investment Manager to arrive at the Enterprise Value ("EV") of the SPVs. Enterprise Value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

1.2.2. **Valuation Base**

Valuation Base means the indication of the type of value being used in an engagement. In the present case, I have determined the fair value of the SPVs at the enterprise level. Fair Value Bases defined as under:

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. It is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value or Market value is usually synonymous to each other except in certain circumstances where characteristics of an asset translate into a special asset value for the party(ies) involved.

1.2.3. **Valuation Date**

Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time due to changes in the condition of the asset to be valued. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

The Valuation Date considered for the fair enterprise valuation of the SPVs is 31st March 2024 ("**Valuation Date**"). The attached Report is drawn up by reference to accounting and financial information as on 31st March 2024. The RV is not aware of any other events having occurred since 31st March 2024 till date of this Report ("**Report Date**") which he deems to be significant for his valuation analysis, except for any events disclosed by the Investment Manager during the valuation exercise.

1.2.4. **Premise of Value**

Premise of Value refers to the conditions and circumstances how an asset is deployed. In the present case, RV has determined the fair enterprise value of the SPVs on a Going Concern Value defined as under:

Going Concern Value

Going Concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, necessary licenses, systems, and procedures in place etc.

1.3. Summary of Valuation

I have assessed the fair enterprise value of each of the SPVs on a stand-alone basis by using the Discounted Cash Flow (“**DCF**”) method under the income approach. Following table summarizes my explanation on the usage or non usage of different valuation methods:

Valuation Approach	Valuation Methodology	Used	Explanation
Cost Approach	Net Asset Value	No	NAV does not capture the future earning potential of the business. Hence NAV method is considered only for background reference.
Income Approach	Discounted Cash Flow	Yes	The revenue of all the SPVs is mainly derived from the annuity fees that are typically pre-determined with the relevant government authority and cannot be modified to reflect prevailing circumstances, other than annual adjustments to account for inflation and interest rate changes as applicable, as specified in the concession agreements. Accordingly, since all the SPVs are generating income based on pre-determined agreements / mechanism and since the Investment Manager has provided me the financial projections for the balance tenor of the concession agreements, DCF Method under the income approach has been considered as the appropriate method for the present valuation exercise.
Market Approach	Market Price	No	The equity shares of the SPVs are not listed on any recognized stock exchange in India. Hence, I was unable to apply the market price method.
	Comparable Companies	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPVs, I am unable to consider this method for the current valuation.
	Comparable Transactions	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Under the DCF Method, the Free Cash Flow to Firm (“**FCFF**”) has been used for the purpose of valuation of each of the SPVs. In order to arrive at the fair EV of the individual SPVs under the DCF Method, I have relied on provisional financial statements as at 31st March 2024 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the respective SPVs prepared by the Investment Manager as at the Valuation Date based on their best judgement.

The discount rate considered for the respective SPVs for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital (“**WACC**”) for each of the SPVs. As all the SPVs under considerations have executed projects under the HAM model, the operating rights of the underlying assets shall be transferred back to the appointing authority after the expiry of the concession period. At the end of the agreed concession period, the operating rights in relation to the roads and the obligation to maintain the road revert to the government entity that granted the concession by the SPVs. Accordingly, terminal period value i.e. value on account of cash flows to be generated after the expiry of concession period has not been considered.

Based on the methodology and assumptions discussed further, RV has arrived at the fair enterprise value of the SPVs as on the Valuation Date:

Sr. No.	SPVs	Approximate Projection Period (Balance Concession Period)	WACC	Fair EV (INR Mn)	INR Mn
					Fair Adj EV (INR Mn)
1	GPEL	~10 Years -11 Months	7.33%	5,126	6,488
2	PDEPL	~11 Years 1 Months	7.33%	8,347	9,309
3	GDHPL	~12 Years 3 Months	7.33%	9,947	11,087
4	GASHPL	~12 Years 0 Months	7.33%	4,330	5,258
5	VSEPL	~11 Years -7 Months	7.33%	14,005	15,712
6	GSSHPL	~12 Years 3 Months	7.33%	5,557	6,264
7	GDDHPL	~13 Years 4 Months	7.33%	6,005	7,147
Total				53,316	61,266

* Enterprise Value (“EV”) is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

** Further, on the request of the Investment Manager, I have calculated Adjusted Enterprise Value of the SPVs which is derived as the EV as defined above plus cash or cash equivalents of the SPVs as at the Valuation Date.

(Refer Appendix 1 & 2 for the detailed workings)

Further to above, considering that present valuation exercise is based on the future financial performance and based on opinions on the future credit risk, cost of debt assumptions, etc., which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and variations may be material. Accordingly, a quantitative sensitivity analysis is considered on the following unobservable inputs:

- WACC by increasing / decreasing it by 1.0%
- WACC by increasing / decreasing it by 0.5%
- Total Expenses by increasing / decreasing it by 10%
- Total Expenses by increasing / decreasing it by 20%

1. Fair Enterprise Valuation Range based on

a. WACC parameter (1.0%)

Sr. No.	SPVs	WACC +1.0%	EV	Base WACC	EV	INR Mn	
						WACC -1%	EV
1	GPEL	8.33%	4,918	7.33%	5,126	6.33%	5,349
2	PDEPL	8.33%	7,996	7.33%	8,347	6.33%	8,724
3	GDHPL	8.33%	9,513	7.33%	9,947	6.33%	10,415
4	GASHPL	8.33%	4,122	7.33%	4,330	6.33%	4,555
5	VSEPL	8.33%	13,410	7.33%	14,005	6.33%	14,648
6	GSSHPL	8.33%	5,300	7.33%	5,557	6.33%	5,834
7	GDDHPL	8.33%	5,690	7.33%	6,005	6.33%	6,349
Total of all SPVs			50,949		53,316		55,875

b. WACC parameter (0.5%)

Sr. No.	SPVs	INR Mn					
		WACC +0.5%	EV	Base WACC	EV	WACC -0.5%	EV
1	GPEL	7.83%	5,020	7.33%	5,126	6.83%	5,236
2	PDEPL	7.83%	8,168	7.33%	8,347	6.83%	8,532
3	GDHPL	7.83%	9,726	7.33%	9,947	6.83%	10,177
4	GASHPL	7.83%	4,224	7.33%	4,330	6.83%	4,440
5	VSEPL	7.83%	13,702	7.33%	14,005	6.83%	14,321
6	GSSHPL	7.83%	5,426	7.33%	5,557	6.83%	5,693
7	GDDHPL	7.83%	5,844	7.33%	6,005	6.83%	6,173
Total of all SPVs			52,110		53,316		54,571

c. Expenses parameter (10%)

Sr. No.	SPVs	INR Mn		
		EV at Expenses +10.0%	EV at Base Expenses	EV at Expenses -10.0%
1	GPEL	4,906	5,126	5,345
2	PDEPL	8,257	8,347	8,437
3	GDHPL	9,723	9,947	10,171
4	GASHPL	4,277	4,330	4,382
5	VSEPL	13,744	14,005	14,267
6	GSSHPL	5,500	5,557	5,614
7	GDDHPL	5,937	6,005	6,073
Total of all SPVs		52,343	53,316	54,288

d. Expenses parameter (20%)

Sr. No.	SPVs	INR Mn		
		EV at Expenses +20.0%	EV at Base Expenses	EV at Expenses -20.0%
1	GPEL	4,632	5,126	5,621
2	PDEPL	8,167	8,347	8,544
3	GDHPL	9,499	9,947	10,394
4	GASHPL	4,225	4,330	4,440
5	VSEPL	13,483	14,005	14,528
6	GSSHPL	5,435	5,557	5,678
7	GDDHPL	5,869	6,005	6,149
Total of all SPVs		51,308	53,316	55,354

2. Adjusted Enterprise Valuation Range based on

a. WACC parameter (1.0%)

Sr. No.	SPVs	INR Mn					
		WACC +1.0%	Adjusted EV	Base WACC	Adjusted EV	WACC -1.0%	Adjusted EV
1	GPEL	8.33%	6,279	7.33%	6,488	6.33%	6,711
2	PDEPL	8.33%	8,959	7.33%	9,309	6.33%	9,687
3	GDHPL	8.33%	10,654	7.33%	11,087	6.33%	11,556
4	GASHPL	8.33%	5,050	7.33%	5,258	6.33%	5,482
5	VSEPL	8.33%	15,117	7.33%	15,712	6.33%	16,355
6	GSSHPL	8.33%	6,008	7.33%	6,264	6.33%	6,542
7	GDDHPL	8.33%	6,831	7.33%	7,147	6.33%	7,491
Total of all SPVs			58,898		61,266		63,824

b. WACC parameter (0.5%)

Sr. No.	SPVs	INR Mn					
		WACC +0.5%	Adjusted EV	Base WACC	Adjusted EV	WACC -0.5%	Adjusted EV
1	GPEL	7.83%	6,382	7.33%	6,488	6.83%	6,598
2	PDEPL	7.83%	9,131	7.33%	9,309	6.83%	9,494
3	GDHPL	7.83%	10,866	7.33%	11,087	6.83%	11,317
4	GASHPL	7.83%	5,152	7.33%	5,258	6.83%	5,368
5	VSEPL	7.83%	15,409	7.33%	15,712	6.83%	16,028
6	GSSHPL	7.83%	6,134	7.33%	6,264	6.83%	6,400
7	GDDHPL	7.83%	6,986	7.33%	7,147	6.83%	7,315
Total of all SPVs			60,059		61,266		62,520

c. Expenses parameter (10%)

Sr. No.	SPVs	INR Mn		
		EV at Expenses +10.0%	EV at Base Expenses	EV at Expenses -10.0%
1	GPEL	6,268	6,488	6,707
2	PDEPL	9,219	9,309	9,399
3	GDHPL	10,863	11,087	11,311
4	GASHPL	5,205	5,258	5,310
5	VSEPL	15,451	15,712	15,974
6	GSSHPL	6,207	6,264	6,321
7	GDDHPL	7,079	7,147	7,215
Total of all SPVs		60,292	61,266	62,237

d. Expenses parameter (20%)

INR Mn				
Sr. No.	SPVs	EV at Expenses +20.0%	EV at Base Expenses	EV at Expenses -20.0%
1	GPEL	5,993	6,488	6,983
2	PDEPL	9,129	9,309	9,506
3	GDHPL	10,639	11,087	11,535
4	GASHPL	5,153	5,258	5,368
5	VSEPL	15,190	15,712	16,235
6	GSSHPL	6,143	6,264	6,386
7	GDDHPL	7,010	7,147	7,291
Total of all SPVs		59,257	61,266	63,304

3. 100% Equity Valuation Range based on

a. WACC parameter (1.0%)

INR Mn							
Sr. No.	SPVs	WACC +1.0%	Equity Value	Base WACC	Equity Value	WACC -1.0%	Equity Value
1	GPEL	8.33%	1,808	7.33%	2,017	6.33%	2,240
2	PDEPL	8.33%	2,879	7.33%	3,230	6.33%	3,607
3	GDHPL	8.33%	2,778	7.33%	3,212	6.33%	3,680
4	GASHPL	8.33%	1,615	7.33%	1,823	6.33%	2,048
5	VSEPL	8.33%	5,316	7.33%	5,911	6.33%	6,554
6	GSSHPL	8.33%	1,948	7.33%	2,205	6.33%	2,483
7	GDDHPL	8.33%	1,591	7.33%	1,906	6.33%	2,250
Total of all SPVs			17,936		20,303		22,861

b. WACC parameter (0.5%)

INR Mn							
Sr. No.	SPVs	WACC +0.5%	Equity Value	Base WACC	Equity Value	WACC -0.5%	Equity Value
1	GPEL	7.83%	1,911	7.33%	2,017	6.83%	2,126
2	PDEPL	7.83%	3,051	7.33%	3,230	6.83%	3,415
3	GDHPL	7.83%	2,991	7.33%	3,212	6.83%	3,441
4	GASHPL	7.83%	1,717	7.33%	1,823	6.83%	1,933
5	VSEPL	7.83%	5,608	7.33%	5,911	6.83%	6,226
6	GSSHPL	7.83%	2,074	7.33%	2,205	6.83%	2,341
7	GDDHPL	7.83%	1,745	7.33%	1,906	6.83%	2,075
Total of all SPVs			19,097		20,303		21,557

c. Expenses parameter (10%)

		INR Mn		
Sr. No.	SPVs	Equity Value at Expenses +10.0%	Equity Value at Base Expenses	Equity Value at Expenses - 10%
1	GPEL	1,796	2,017	2,235
2	PDEPL	3,140	3,230	3,320
3	GDHPL	2,988	3,212	3,435
4	GASHPL	1,770	1,823	1,876
5	VSEPL	5,650	5,911	6,173
6	GSSHPL	2,148	2,205	2,262
7	GDDHPL	1,838	1,906	1,975
Total of all SPVs		19,330	20,303	21,275

d. Expenses parameter (20%)

		INR Mn		
Sr. No.	SPVs	Equity Value at Expenses +20.0%	Equity Value at Base Expenses	Equity Value at Expenses -20.0%
1	GPEL	1,522	2,017	2,511
2	PDEPL	3,049	3,230	3,427
3	GDHPL	2,764	3,212	3,659
4	GASHPL	1,718	1,823	1,933
5	VSEPL	5,388	5,911	6,434
6	GSSHPL	2,084	2,205	2,326
7	GDDHPL	1,770	1,906	2,051
Total of all SPVs		18,295	20,303	22,341

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2. Procedures adopted for current valuation exercise

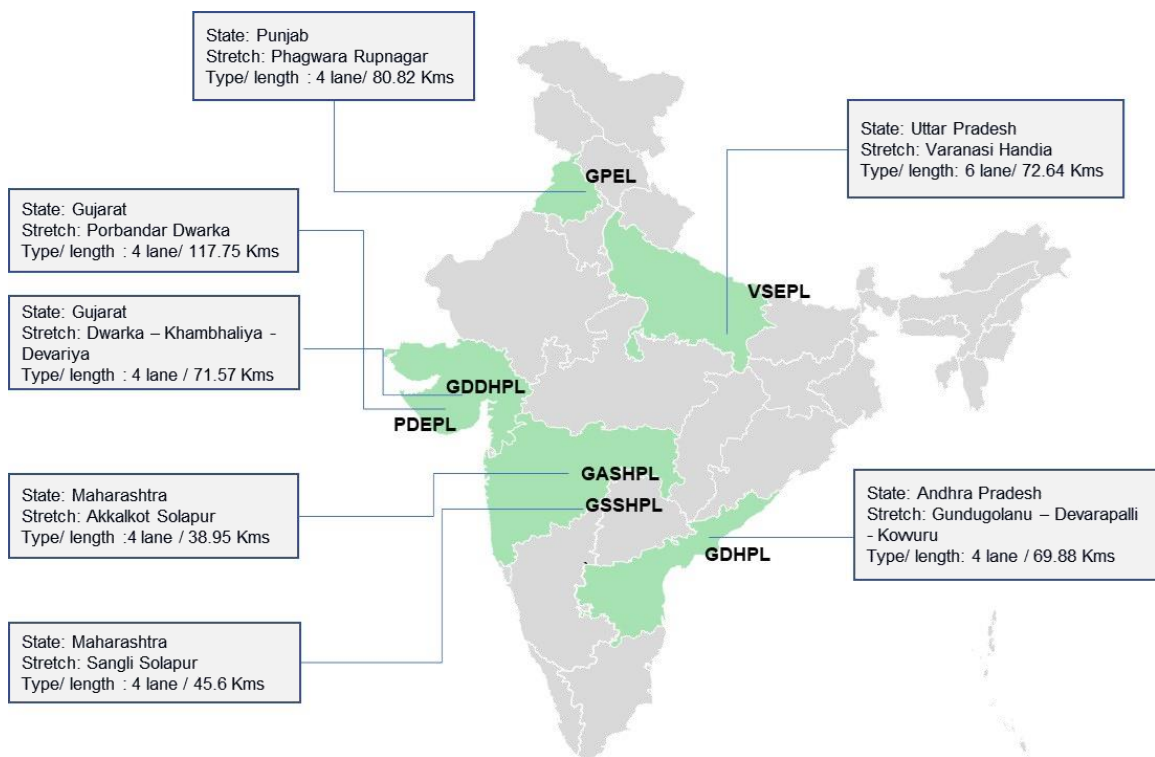
- 2.1. I have performed the valuation analysis, to the extent applicable, in accordance with ICAI Valuation Standards 2018 (“IVS”) issued by the Institute of Chartered Accountants of India.
- 2.2. In connection with this analysis, I have adopted the following procedures to carry out the valuation analysis:
- 2.2.1. Requested and received financial and qualitative information relating to the SPVs;
 - 2.2.2. Obtained and analyzed data available in public domain, as considered relevant by me;
 - 2.2.3. Discussions with the Investment Manager on:
 - Understanding of the business of the SPVs – business and fundamental factors that affect its earning-generating capacity including strengths, weaknesses, opportunities and threats analysis and historical and expected financial performance;
 - 2.2.4. Undertook industry analysis:
 - Research publicly available market data including economic factors and industry trends that may impact the valuation;
 - Analysis of key trends and valuation multiples of comparable companies/comparable transactions, if any, using proprietary databases subscribed by me;
 - 2.2.5. Analysis of other publicly available information;
 - 2.2.6. Selection of valuation approach and valuation methodology/(ies), in accordance with IVS, as considered appropriate and relevant by me;
 - 2.2.7. Conducted physical site visit of the road stretch of the SPVs;
 - 2.2.8. Determination of fair value of the EV of the SPVs on a going concern basis till the end of the concession period as at the Valuation Date and determination of fair value of the Adjusted EV of the SPVs on a going concern basis till the end of the concession period as at the Valuation Date on request of the Investment Manager.

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3. Overview of InvIT and SPVs

3.1. InvIT / Bharat Highways InvIT (“Trust”)

- 3.1.1. Bharat Highways InvIT was established on 16th June 2022 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882. The Trust is registered as an Indian infrastructure investment trust with the SEBI with effect from 3rd August 2022, bearing registration number IN/InvIT/22-23/0023, pursuant to the SEBI InvIT Regulations.
- 3.1.2. IDBI Trusteeship Services Limited has been appointed as the Trustee of Bharat InvIT. GR Highways Investment Manager Private Limited has been appointed as the Investment Manager to the Trust by the Trustee and will be responsible to carry out the duties of such person as mentioned under the SEBI InvIT Regulations.
- 3.1.3. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 12th March 2024.
- 3.1.4. Following is a map of India showing the area covered by the SPVs of the Trust:

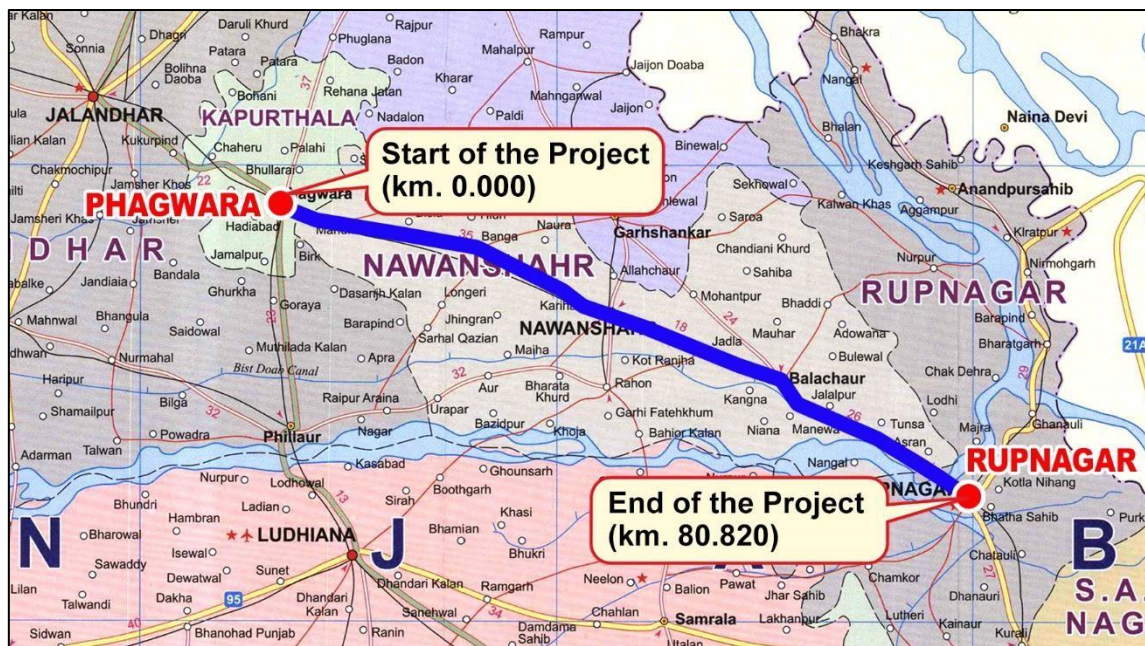


Source: Investment Manager

3.2. Background of the SPVs

3.2.1. GR Phagwara Expressway Limited (“GPEL”)

- GPEL was incorporated on 21st September 2016 as a public limited company under the Companies Act, 2013 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of GPEL is located at GR House, Hiran Magri, Sector – 11, Udaipur, Rajasthan 313 002, India.
- GPEL was incorporated to identify, formulate, aid, promote, finance, establish, build, construct, erect, equip, operate, maintain, control, upgrade, regulate, modify, takeover, and / or to undertake development of four laning of Phagwara to Rupnagar section of NH-344A from km. 0.00 (design chainage) to km. 80.820 (design chainage).
- The project highway Phagwara to Rupnagar (NH-344A), starts from km. 0.000 at Phagwara Town and terminates at km. 80.820 at Rupnagar Town. The design length of the project highway is 80.820 kms. The project stretch is the important link connecting important cities in Punjab State such as Amritsar, Jalandhar and Chandigarh. The project involved development of existing 2 lane carriageway to 4 lane divided carriageway with 1.5 m wide paved shoulder and 2.0 m earthen shoulder on either side.
- GPEL has received final completion certificate on 26th May 2021 by completing all the works as mentioned in the technical schedules of concession agreement.
- The project highway passes through the Districts of Nawanshahr and Kapurthala. The project highway passes through the built-up areas of towns and villages enroute. Important towns along the alignment are Mehli, Bahar Majara, Jasso Majara, Behram, Malha Sodhian, Dhahan, Banga, Kahma, Nawanshahr, Langroya, Garhi Kanugoan, and Bachhwan.
- The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- Summary of project details of GPEL are as follows:

Parameters	Details
Total Length	323.3 Lane Kms
Nos. of Lanes	4
NH / SH	NH 344A
State Covered	Punjab
Area (Start and End)	Phagwara - Rupnagar
Bid Project Cost	INR 13,670 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	25 th February 2020
COD Date	26 th May 2021
Nos. of Annuities	30
Construction Period	910 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor starts from 0.00 Km to 80.820 Km connecting Phagwara – Rupnagar on NH 344A.

Sr. No.	Salient Features	As per Site
1	Total Length of the Project Highway	80.82 Km
2	Total length of Service Roads	70.037 Km
3	Widening	71.573 Km
4	New Alignment including bypass	11.247 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	2 Nos.
7	Flexible Pavement for Main carriageway	69.56 Km
8	Rigid Pavement for Main carriageway	11.26 Km
9	Total length of Slip Roads	0 Km
10	Toll Plaza	2 Nos.
11	Bus Bays / Bus Shelters	43 Nos.
12	Truck Lay Bays	2 Nos.
13	No of Rest Areas	2 Nos.
14	Major Junction	7 Nos.
15	Minor Junctions	102 Nos.
16	No of Vehicular underpasses	3 Nos.
17	Vehicle overpass	0 Nos.
18	No of Subways	0 Nos.
19	Elevated Structure	1 Nos.
20	No of Flyovers	4 Nos.
21	Pedestrian/Cattle Underpass	1 Nos.
22	ROB	1 Nos.
23	Major Bridges	1 Nos.
24	Minor Bridges for Main Carriageway	22 Nos.
25	Box/Slab Culverts	51 Nos.
26	Pipe Culverts	41 Nos.

Source: Investment Manager

- The shareholding of GPEL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	2,02,99,940	100%
2	Ajendra Kumar Agarwal*	10	Negligible
3	Ramesh Chandra Jain*	10	Negligible
4	Amit Kumar Singh*	10	Negligible
5	Harshael Sawant*	10	Negligible
6	Sunil Chhikara*	10	Negligible
7	Bajrang Lal Bhura*	10	Negligible
Total		2,03,00,000	100%

*Nominee of the InvIT

Source: Investment Manager

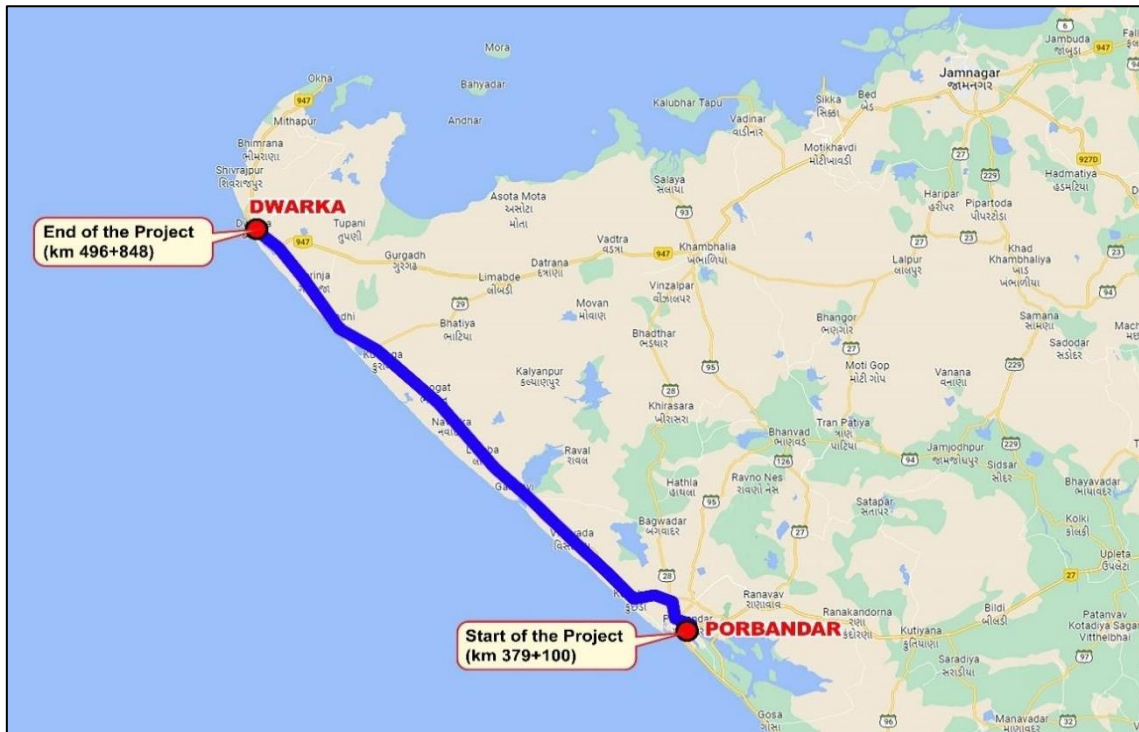
I have been represented by the Investment Manager that there is no change in shareholding pattern from the Valuation Date till the date of this Report.

- My team had conducted physical site visit of the road stretch of GPEL on 16th April, 2024. Refer below for the pictures of the road stretch:



3.2.2. **Porbandar Dwarka Expressway Private Limited (“PDEPL”)**

- PDEPL was incorporated on 9th June 2017 as a private limited company under the Companies Act, 2013 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of PDEPL is located at GR House, Hiran Magri, Sector No. 11, Udaipur, Rajasthan 313 002, India.
- PDEPL was incorporated for the purpose of four laning with paved shoulder of Porbandar - Dwarka section of NH-8E (Ext.) from km 356.766 (design chainage km. 379.100) to km 473.000 (Design Chainage km 496.848) through public-private partnership.
- The project highway is a section of National Highway Number 08E, NH-08E in the State of Gujarat which starts from km. 379+100 near Porbandar Bypass and ends at km. 496+848 in Dev Bhumi Dwarka. Existing length of the project highway was 116.234 kms whereas design length measures to be 117.748 kms.
- PDEPL has received final completion certificate on 13th October 2021.
- The project highway passes through the built-up areas of towns and villages enroute. Important towns along the alignment are Visawada, Miyami, Bhavpuru, Jodhpur etc.
- The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- Summary of project details of PDEPL are as follows:

Parameters	Details
Total Length	471.0 Lane Kms
Nos. of Lanes	4
NH / SH	NH 08E
State Covered	Gujarat
Area (Start and End)	Porbandar – Dwarka
Bid Project Cost	INR 16,000 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	18 th April 2020
COD Date	13 th October 2021
Nos. of Annuities	30
Construction Period	1,095 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor forms a part of existing road from KM 379+100 to Km 496+848 of NH-08E connecting Porbandar and Dwarka.

Sr. No.	Salient Features	As per Site
1	Total Length of the Project Highway	117.748 Km
2	Total length of Service Roads	11.676 Km
3	Widening	0 Km
4	New Alignment including bypass	23.3 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	2 Nos.
7	Flexible Pavement for Main carriageway	2.998 Km
8	Rigid Pavement for Main carriageway	114.750 Km
9	Total length of Slip Roads	4.95 Km
10	Toll Plaza	2 Nos.
11	Bus Bays / Bus Shelters	4 Nos.
12	Truck Lay Bays	0 Nos.
13	No of Rest Areas	0 Nos.
14	Major Junction	5 Nos.
15	Minor Junctions	42 Nos.
16	Vehicular underpasses	8 Nos.
17	Light Vehicular underpasses	1 Nos.
18	Vehicle overpass	0 Nos.
19	No of Subways	0 Nos.
20	No of Flyovers	2 Nos.
21	Pedestrian/Cattle Underpass	6 Nos.
22	ROB	1 Nos.
23	Major Bridges	11 Nos.
24	Minor Bridges	34 Nos.
25	Box/Slab Culverts	31 Nos.
26	Pipe Culverts	196 Nos.

Source: Investment Manager

- The shareholding of PDEPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	4,19,99,990	100%
2	Ajendra Kumar Agarwal*	10	Negligible
Total		4,20,00,000	100%

*Nominee of the InvIT

Source: Investment Manager

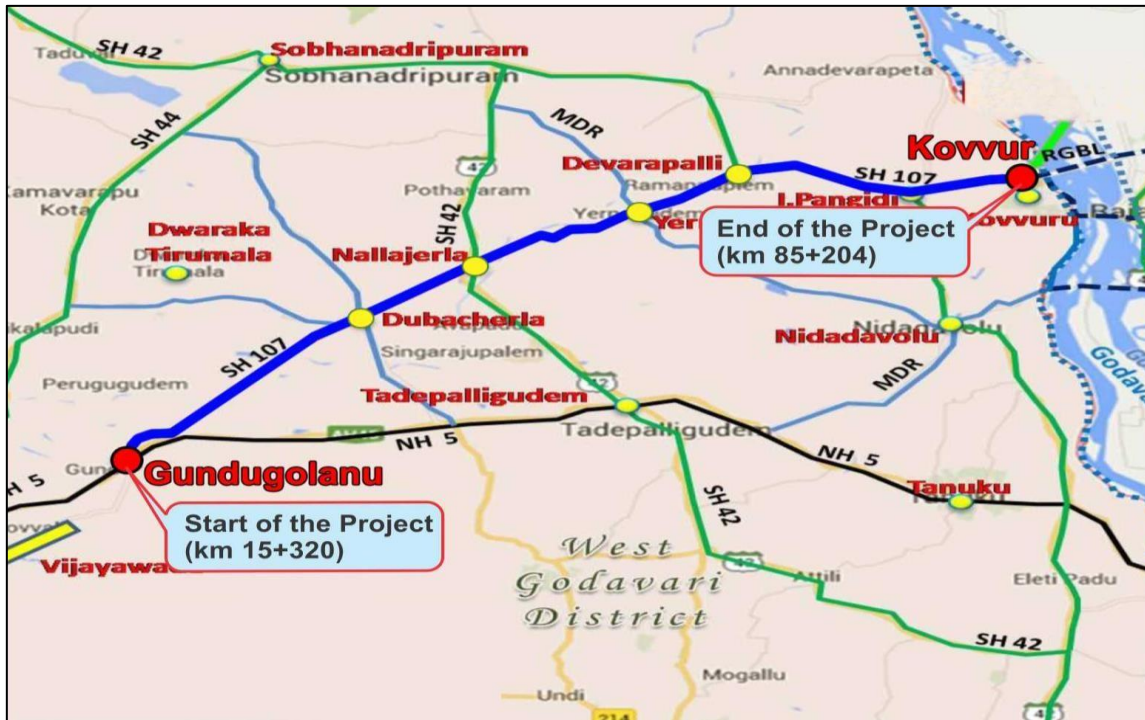
- My team had conducted physical site visit of the road stretch of PDEPL on 5th April 2024. Refer below for the pictures of the road stretch:



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3.3. GR Gundugolanu Devarapalli Highway Private Limited (“GDHPL”)

- GDHPL was incorporated on 28th March 2018 as a private limited company under the Companies Act, 2012 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of GDHPL is located at GR House, Hiran Magri, Sector 11, Udaipur, Rajasthan 313 002, India.
- GDHPL was incorporated for the purpose of four laning of the Gundugolanu – Devarapalli – Kovvuru section of NH-16 from Km. 15.320 (existing Km. 15.700) to Km. 85.204 (existing Km. 81.400) in the state of Andhra Pradesh under Bharatmala Pariyojana.
- GDHPL has received completion certificate (COD certificate) on 30th September 2022.
- The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- Summary of project details of GDHPL are as follows:

Parameters	Details
Total Length	279.5 Lane Kms
Nos. of Lanes	4
NH / SH	NH 16
State Covered	Andhra Pradesh
Area (Start and End)	Gundugolanu – Kovvuru
Bid Project Cost	INR 18,270 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	10 th July 2021
COD	30 th September 2022
Nos. of Annuities	30
Construction Period	910 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor forms a part of existing road from KM 15.70 to KM 81.40 (Approx. 69.88 Kms) from Gundugolanu to Kovvur in NH-16

Sr. No.	Salient Features	As per Site
1	Total Length of the Project Highway	69.884 Km
2	Total length of Service Roads	54.308 Km
3	Widening	0 Km
4	New Alignment including bypass	46.644 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	6 Nos.
7	Flexible Pavement for Main carriageway	69.884 Km
8	Total length of Slip Roads	47.87 Km
9	Toll Plaza	1 Nos.
10	Bus Bays / Bus Shelters	56 Nos.
11	Truck Lay Bays	2 Nos.
12	No of Rest Areas	4 Nos.
13	Interchange	1 Nos.
14	Major Junction	11 Nos.
15	Minor Junctions	10 Nos.
16	Vehicular underpasses	2 Nos.
17	Light Vehicular underpasses	11 Nos.
18	Vehicle overpass	1 Nos.
19	No of Subways	0 Nos.
20	No of Flyovers	16 Nos.
21	Pedestrian/Cattle Underpass	5 Nos.
22	ROB	1 Nos.
23	Major Bridges	9 Nos.
24	Minor Bridges	22 Nos.
25	Box/Slab Culverts	122 Nos.
26	Pipe Culverts	28 Nos.

Source: Investment Manager

- The shareholding of GDHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	4,94,99,990	100%
2	Ajendra Kumar Agarwal*	10	Negligible
Total		4,95,00,000	100%

*Nominee of the InvIT

Source: Investment Manager

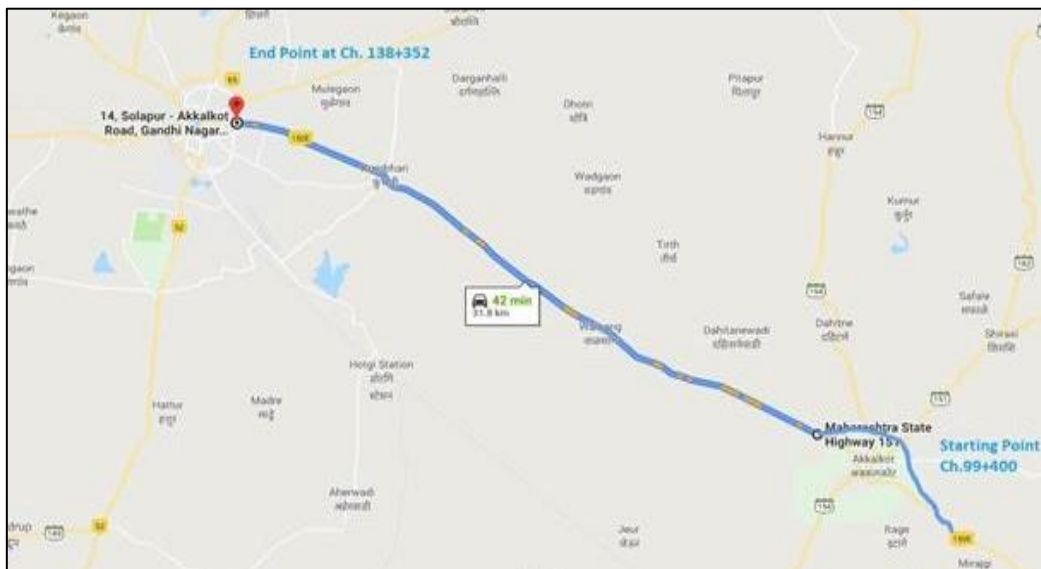
- My team had conducted physical site visit of the road stretch of GDHPL on 5th April 2024. Refer below for the pictures of the road stretch:



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3.4. **GR Akkalkot Solapur Highway Private Limited (“GASHPL”)**

- GASHPL was incorporated on 26th April 2018 as a private limited company under the Companies Act, 2013 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of GASHPL is located at GR House, Hiran Magri, Sector 11, Udaipur, Rajasthan 313 002, India.
- GASHPL was incorporated for the purpose of four laning of Akkalkot – Solapur section of NH - 150E with paved shoulders from design chainage km. 99.400 to km. 138.352 / existing chainage from km. 102.819 to km. 141.800 (design length 38.952 km.) including Akkalkot bypass (design length 7.350 km.).
- The project highway is part of National Highway No. 150E of Barshi - Gulbarga section in the state of Maharashtra and Karnataka. The total project length is 38.952 kms which starts from km. 99.400 near Akkalkot Bypass and ends at km. 138.352 in Solapur City.
- GASHPL has received Provisional Completion Certificate (PCOD certificate) on 31st March 2021.
- GASHPL has received Completion Certificate (COD certificate) on 9th March 2023.
- The project highway passes through the built-up areas of towns and villages Karjal, Walsung, Chincholi, Rajanpur, Togarhalli, Akkalkot and Kumbhari.
- The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- Summary of project details of GASHPL are as follow

Parameters	Details
Total Length	155.8 Lane Kms
Nos. of Lanes	4
NH / SH	NH 150E
State Covered	Maharashtra
Area (Start and End)	Akkalkot – Solapur
Bid Project Cost	INR 8,070 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	31 st March 2021
COD Date	9 th March 2023
Nos. of Annuities	30
Construction Period	730 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor forms a part of existing road from KM 99.40 to 138.35 (Approx. 38.95 Kms) near Akkalkot to Solapur City in NH-150E

Sr. No.	Salient Features	For SPV
1	Total Length of the Project Highway	38.952 Km
2	Total length of Service Roads	16.16 Km
3	Widening	0 Km
4	New Alignment including bypass	7.126 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	1 Nos.
7	Rigid Pavement for Main carriageway	38.952 Km
8	Total length of Slip Roads	8.82 Km
9	Toll Plaza	1 Nos.
10	Bus Bays / Bus Shelters	6 Nos.
11	Truck Lay Bays	0 Nos.
12	No of Rest Areas	1 Nos.
13	Major Junction	3 Nos.
14	Minor Junctions	22 Nos.
15	No of Vehicular underpasses	6 Nos.
16	Vehicle overpass	0 Nos.
17	No of Subways	0 Nos.
18	No of Flyovers	7 Nos.
19	Pedestrian/Cattle Underpass	1 Nos.
20	ROB	0 Nos.
21	Major Bridges	2 Nos.
22	Minor Bridges	20 Nos.
23	Box/Slab Culverts	26 Nos.
24	Pipe Culverts	21 Nos.

Source: Investment Manager

- The shareholding of GASHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	1,25,99,990	100%
2	Ajendra Kumar Agarwal*	10	Negligible
Total		1,26,00,000	100%

*Nominee of the InvIT

Source: Investment Manager

- My team had conducted physical site visit of the road stretch of GASHPL on 4th May 2024. Refer below for the pictures of the road stretch:



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3.5. Varanasi Sangam Expressway Private Limited (“VSEPL”)

- VSEPL was incorporated on 17th April 2017 as a private limited company under the Companies Act, 2013 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of VSEPL is located at GR House, Hiran Magri, Sector No. 11, Udaipur, Rajasthan 313 002, India.
- VSEPL which of six laning of Handia to Varanasi section of NH-2 from km 713.146 to km 785.544 in the state of Uttar Pradesh under NHDP phase-V.
- The project stretch is linking Delhi and Kolkata, traverses through 6 States namely Delhi, Haryana, Uttar Pradesh, Bihar, Jharkhand and West Bengal and connects a number of major urban cities on its way like Delhi, Agra, Kanpur, Allahabad, Varanasi, Dhanbad, Durgapur & Howrah. The project road from Khokhraj approximately 42 kms from Allahabad towards Kanpur to Varanasi i.e., Allahabad bypass to Varanasi.
- VSEPL has received Provisional Completion Certificate (PCOD certificate) on 2nd November 2020.
- VSEPL has received Completion Certificate (COD certificate) on 19th January 2022.
- The project highway passes through the built-up areas of towns and villages enroute. Important towns along the alignment are Rajatalab, Aurai, Gopigunj and Handia.
- The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- Summary of project details of VSEPL are as follows:

Parameters	Details
Total Length	434.39 Lane Kms
Nos. of Lanes	6
NH / SH	NH 2
State Covered	Uttar Pradesh
Area (Start and End)	Handia - Varanasi
Bid Project Cost	INR 24,470 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	2 nd November 2020
COD Date	19 th January 2022
Nos. of Annuities	30
Construction Period	910 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor forms a part of existing road from KM 713.21 to 785.70 from Haldia to Varanasi in NH-2.

Sr. No.	Salient Features	As per Site
1	Total Length of the Project Highway	72.644 Km
2	Total length of Service Roads	78.535 Km
3	Widening	0 Km
4	New Alignment including bypass	0 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	0 Nos.
7	Flexible Pavement for Main carriageway	19.383 Km
8	Rigid Pavement for Main carriageway	53.015 Km
9	Total length of Slip Roads	65.44 Km
10	Toll Plaza	2 Nos.
11	Bus Bays / Bus Shelters	36 Nos.
12	Truck Lay Bays	4 Nos.
13	No of Rest Areas	4 Nos.
14	Major Junction	4 Nos.
15	Minor Junctions	167 Nos.
16	No of Vehicular underpasses	11 Nos.
17	Vehicle overpass	0 Nos.
18	No of Subways	0 Nos.
19	Elevated Structure	5 Nos.
20	No of Flyovers	3 Nos.
21	Pedestrian/Cattle Underpass	12 Nos.
22	Foot Over Bridge	2 Nos.
23	ROB	0 Nos.
24	Major Bridges	0 Nos.
25	Minor Bridges	3 Nos.
26	Box/Slab Culverts	34 Nos.
27	Pipe Culverts	15 Nos.

Source: Investment Manager

- The shareholding of VSEPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	3,88,89,990	100%
2	Ajendra Kumar Agarwal*	10	Negligible
Total		3,88,90,000	100%

*Nominee of the InvIT

Source: Investment Manager

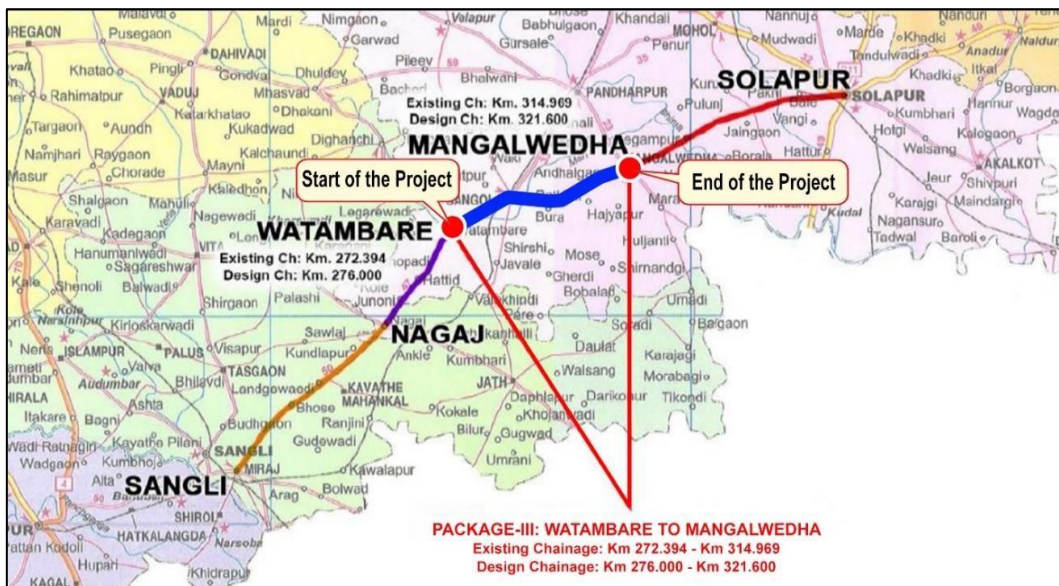
- My team had conducted physical site visit of the road stretch of VSEPL on 4th May, 2024. Refer below for the pictures of the road stretch:



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3.6. GR Sangli Solapur Highways Private Limited (“GSSHPL”)

- GSSHPL was incorporated on 26th April 2018 as a private limited company under the Companies Act, 2013 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of GSSHPL is located at GR House, Hiran Magri, Sector 11, Udaipur, Rajasthan 313 002, India.
- GSSHPL was incorporated for the purpose of four-laning of Sangli – Solapur (Package- III: Watambare to Mangalwedha) Section of NH-166 from existing Ch. Km 272.394 to Ch. km 314.969 (Design Ch. km. 276.000 to Ch. km. 321.600).
- GSSHPL has received Provisional Completion Certificate (PCOD certificate) on 28th June 2021.
- The project highway (Package-III) starts at Watambare at km. 276.00 and ends at Mangalwedha at km. 321.600. This entire package lies in Solapur District. The project highway passes through the built-up sections of Watambare, Yalgarmangewadi, Kamlapur, Godsewadi, Vasud, Sangola, Wadegaon, Rajapur, Landevenchinchole, Lakshmidahiwadi, Andhalgaon, Ganeshwadi and Mangalwedha.
- The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- Summary of project details of GSSHPL are as follows:

Parameters	Details
Total Length	182.4 Lane Kms
Nos. of Lanes	4
NH / SH	NH 166
State Covered	Maharashtra
Area (Start and End)	Watambare – Mangalwedha
Bid Project Cost	INR 9,570 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	28 th June 2021
Nos. of Annuities	30
Construction Period	730 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor forms a part of existing road from Km 276.00 and ends at Km 321.60 in NH-116 connecting Watambare and Mangalwedha.

Sr. No.	Salient Features	As per Site
1	Total Length of the Project Highway	45.60 Km
2	Total length of Service Roads	28.51 Km
3	Widening	29.04 Km
4	New Alignment including bypass	16.56 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	1 Nos.
7	Rigid Pavement for Main carriageway	45.60 Km
8	Total length of Slip Roads	8.022 Km
9	Toll Plaza	0 Nos.
10	Bus Bays / Bus Shelters	34 Nos.
11	Truck Lay Bays	0 Nos.
12	No of Rest Areas	1 Nos.
13	Major Junction	1 Nos.
14	Minor Junctions	39 Nos.
15	Vehicular underpasses	6 Nos.
16	Light Vehicular underpasses	13 Nos.
17	Vehicle overpass	0 Nos.
18	No of Subways	0 Nos.
19	No of Flyovers	0 Nos.
20	Pedestrian/Cattle Underpass	0 Nos.
21	ROB	1 Nos.
22	Major Bridges	2 Nos.
23	Minor Bridges for Main Carriageway	11 Nos.
24	Box/Slab Culverts	6 Nos.
25	Pipe Culverts	64 Nos.

Source: Investment Manager

- The shareholding of GSSHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	1,49,99,990	100%
2	Ajendra Kumar Agarwal*	10	Negligible
Total		1,50,00,000	100%

*Nominee of the InvIT

Source: Investment Manager

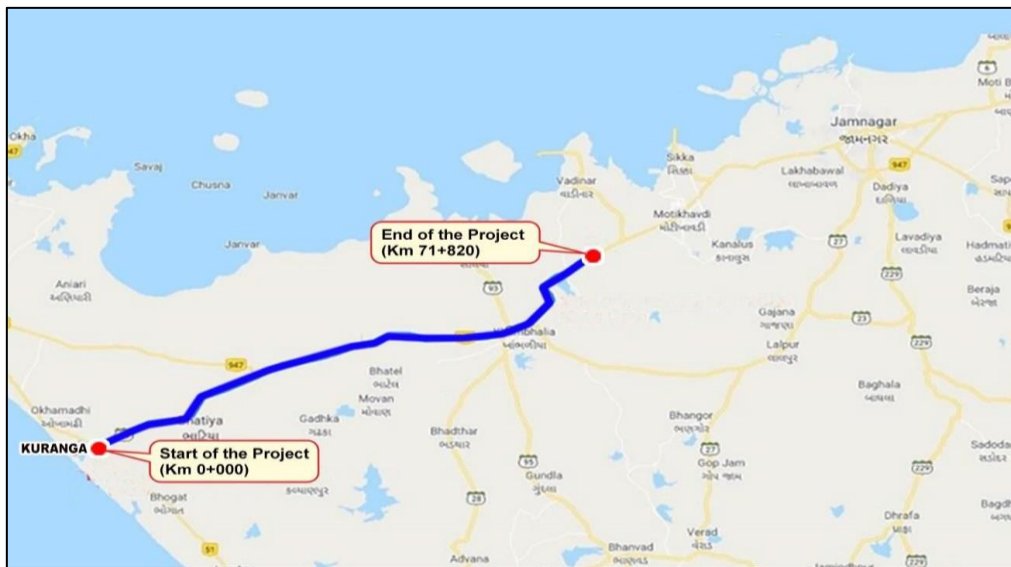
- My team had conducted physical site visit of the road stretch of GSSHPL on 4th May 2024. Refer below for the pictures of the road stretch:



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3.7. **GR Dwarka Devariya Highway Private Limited (“GDDHPL”)**

- GDDHPL was incorporated on 26th March 2019 as a private limited company under the Companies Act, 2013 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of GDDHPL is located at GR House, Hiran Magri, Sector 11, Udaipur, Rajasthan 313 002, India.
- GDDHPL was incorporated for the purpose of four laning of Dwarka (Kuranga) – Khambhaliya – Devariya section of NH 151A in the state of Gujarat under Bharatmala Project.
- The project corridor road is a section of National Highway Number 151A (Old NH-08E), NH-151A in section of NH 151A from km 203.500 to km 176.500 and from km 171.800 to km 125.000 (designed length 71.890 km) in the state of Gujarat.
- GDDHPL has received Provisional Completion Certificate (PCOD certificate) on 2nd August 2022.
- The project highway passes through the built-up areas of towns and villages enroute. Important towns along the alignment are Bhatia, Kuvadva, Bamnsa, Dhandusar, Vadinar and Devariya etc.
- The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- Summary of project details of GDDHPL are as follows:

Parameters	Details
Total Length	287.56 Lane Kms
Nos. of Lanes	4
NH / SH	NH 151A
State Covered	Gujarat
Area (Start and End)	Dwarka – Khambhaliya - Devariya
Bid Project Cost	INR 11,010 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	2 nd August 2022
Nos. of Annuities	30
Construction Period	912 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor forms a part of existing road from Km 0+00 near Kuranga village and ends at Km 76+270 in Jakhar Patia in NH-151A in the state of Gujarat.

Sr. No.	Salient Features	As per Site
1	Total Length of the Project Highway	71.890 Km
2	Total length of Service Roads	18.18 Km
3	Widening	0 Km
4	New Alignment including bypass	0 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	0 Nos.
7	Rigid Pavement for Main carriageway	71.890 Km
8	Total length of Slip Roads	0 Km
9	Toll Plaza	1 Nos.
10	Bus Bays / Bus Shelters	50 Nos.
11	Truck Lay Bays	1 Nos.
12	No of Rest Areas	1 Nos.
13	Major Junction	0 Nos.
14	Minor Junctions	55 Nos.
15	No of Vehicular underpasses	5 Nos.
16	Vehicle overpass	0 Nos.
17	No of Subways	0 Nos.
18	No of Flyovers	0 Nos.
19	Pedestrian/Cattle Underpass	0 Nos.
20	ROB	1 Nos.
21	Major Bridges	4 Nos.
22	Minor Bridges	20 Nos.
23	Box/Slab Culverts	32 Nos.
24	Pipe Culverts	92 Nos.

Source: Investment Manager

- The shareholding of GDDHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	94,99,990	100%
2	Ajendra Kumar Agarwal*	10	Negligible
	Total	95,00,000	100%

*Nominee of the InvIT

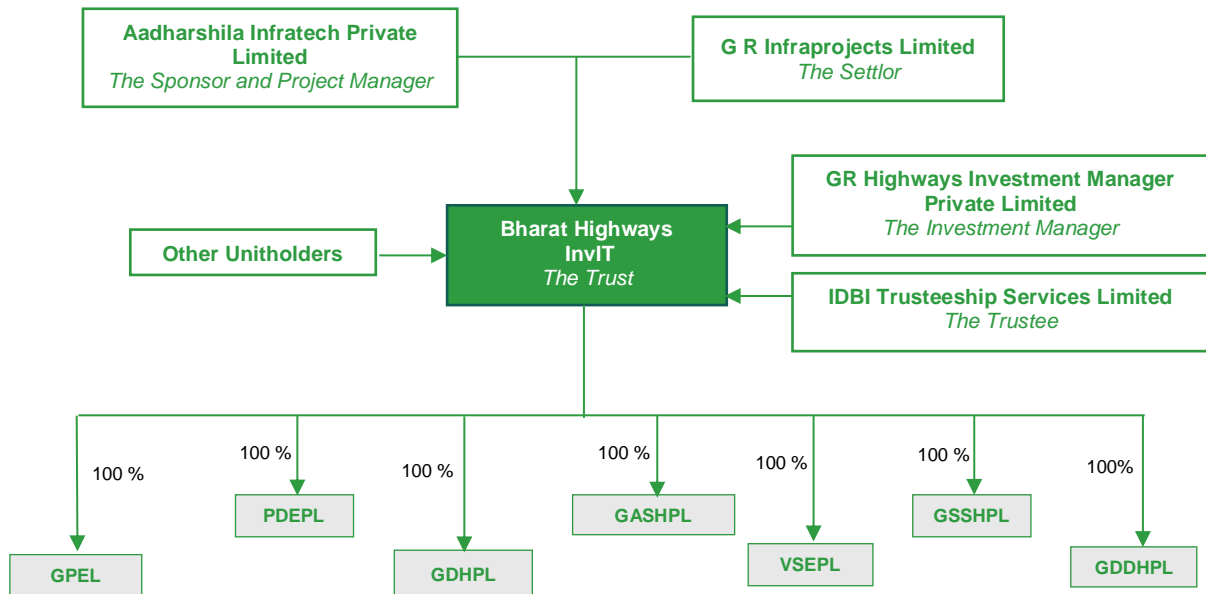
Source: Investment Manager

- My team had conducted physical site visit of the road stretch of GDDHPL on 5th April 2024. Refer below for the pictures of the road stretch



4. Structure of the Trust

4.1. Following is the structure of Bharat InvIT:



Source: Investment Manager

4.2. Stake in the SPVs by the Trust:

Sr. No.	SPV	As on Report Date
		Trust Holding
1	GPEL	100.0%
2	PDEPL	100.0%
3	GDHPL	100.0%
4	GASHPL	100.0%
5	VSEPL	100.0%
6	GSSHPL	100.0%
7	GDDHPL	100.0%

Source: Investment Manager

5. Overview of the Industry

The road infrastructure is an important determinant of economic growth in India and it plays a significant role in the economy's overall development process.

India has the second-largest road network in the world, spanning over 6.3 million kms. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute.

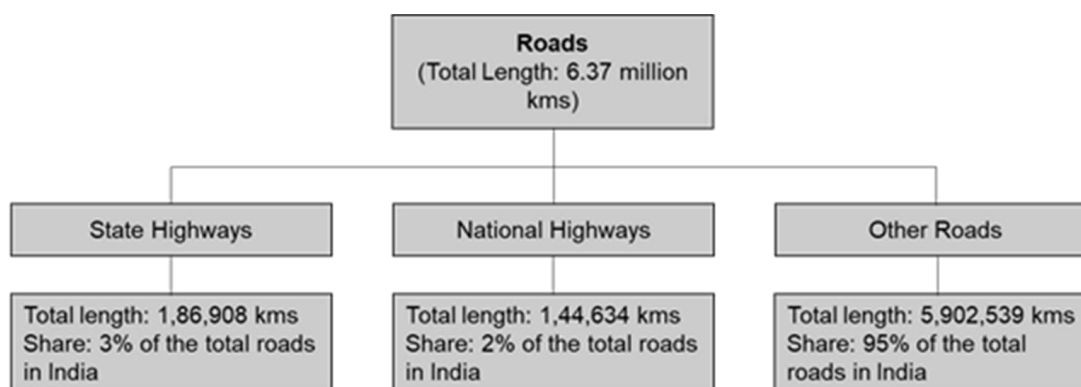
Creation and operation of quality road infrastructure continue to be major requirements for enabling overall growth and development of India in a sustained manner.

Bridging of existing infrastructure gaps and creating additional facilities to cater to the increasing population are equally important. Apart from providing connectivity in terms of enabling movement of passengers and freight, roads act as force multipliers in the economy.

Further, roads play a significant role in times of natural calamities, wars and other such events in terms of timely evacuation of the impacted population, carriage of relief material and other associated movements. Government takes cognisance of this requirement and road infrastructure remains to be a focus area.

5.1 Road Network in India

- 5.1.1 India has the second largest road network in the world, spanning over 6.37 million kms. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute.



Source: IBEF Roads Report, August 2023

- 5.1.2 Out of this around 1.41 lakh km are National Highways (“NHs”). Significantly, NHs constitute around 2 per cent of the total road network in the country but carry about 40 per cent of the road traffic. The density of India’s highway network at 1.89 km of roads per square kilometer of land – is similar to that of the France (1.98) and much greater than China’s (0.49) or USA’s (0.68).

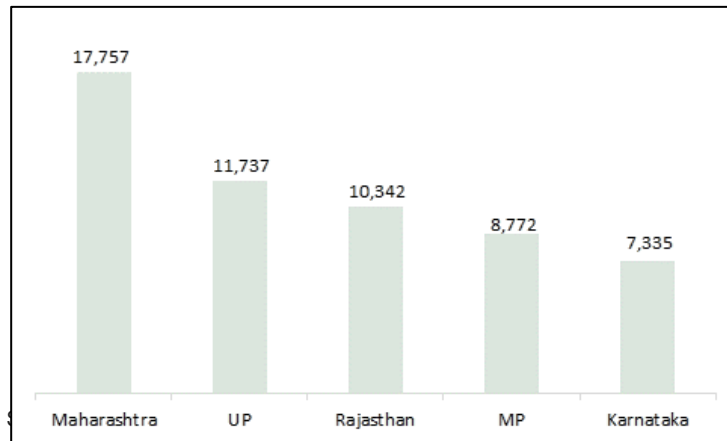
5.2 Government Agencies for Road Development

- 5.2.1 The Ministry of Road Transport & Highway (“**MoRTH**”) is responsible for development of Road Transport and Highways in general and construction & maintenance of National Highways.
- 5.2.2 The National Highways Authority of India (“**NHAI**”) is an autonomous agency of the Government of India, set up in 1988 and is responsible for implementation of National Highways Development Project (“**NHDP**”).
- 5.2.3 The NHDP in the context of NHs is nearing completion- in seven phases. Later, the other highway development programmes like Special Accelerated Road Development Programme for Development of Road Network in North Eastern States (SARDP- NE) and National Highways Interconnectivity Improvement Project (NHIIIP) were also taken up by MoRTH. Further, Bharatmala Pariyojana is ongoing. For majority of the projects under NHDP and Bharatmala Pariyojana, NHAI is the implementation agency. Other NH related programmes/works are being implemented through agencies like National Highways Infrastructure

Development Corporation Limited (NHIDCL), State Public Works Departments (PWDs), State Road Development Corporations and the Border Road Organization.

- 5.2.4 NHAI is planning to raise Rs. 40,000 crore (US\$ 5.72 billion) to monetise its highway assets through Infrastructure Investment Trust (InvIT).
- 5.2.5 In December 2022, NHAI raised Rs. 10,200 crore (US\$ 1.23 billion) from foreign and Indian institutional investors to meet ever-growing budgetary support. Indian Government and Asian Development Bank signed US\$ 500 million loan agreement to build the longest bridge across river Ganga, in Bihar. The bridge is expected to be ready by December 2021.
- 5.2.6 NHAI is planning to award 1,000-1,500 km of projects under the BOT model in 2023-24. In FY21, there were 125 PPP projects worth US\$ 23.25 billion in India.
- 5.2.7 The government has successfully rolled out over 60 road projects in India worth over US\$ 10 billion based on the Hybrid Annuity Model (HAM). HAM has balanced risk appropriately between private and public partners and boosted PPP activity in the sector.
- 5.2.8 In August 2020, the Government of India revised the Model Concession Agreement for BOT projects to plug delays by imposing a deadline on the NHAI and incentivising timely work by concessionaires. According to revised norms, the NHAI will have to hand over 90% of the project land (vacant and ready to build) to private developers, thus creating a more market-friendly sector and attracting more private players.
- 5.2.9 Roads in the jurisdiction of state governments are under different categories like State Highways (“SHs”) and Major District Roads. They are being developed/ upgraded through State PWDs and State Road Development Corporations. Pradhan Mantri Gram Sadak Yojana is being implemented for rural roads through the Ministry of Rural Affairs with active participation by state governments. Further, roads within urban areas are maintained/ developed mostly with PWDs and Urban Local Bodies.
- 5.2.10 State Governments have a significant role to play in developing the SHs, Major District Roads, Other District Roads to ensure the last mile connectivity. States have varying levels of maturity in terms of road infrastructure development due to issues such as inadequate identification and prioritization of projects, funding shortfall, limited institutional capacity to implement projects, etc.

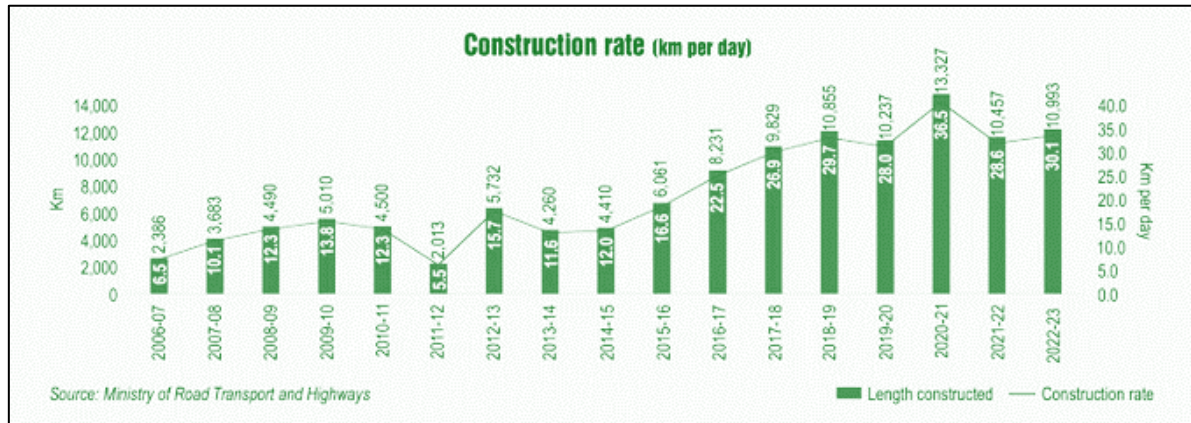
Top 5 states by length of NHs in India (in Km)



5.3 Trend of Road and Highways Construction

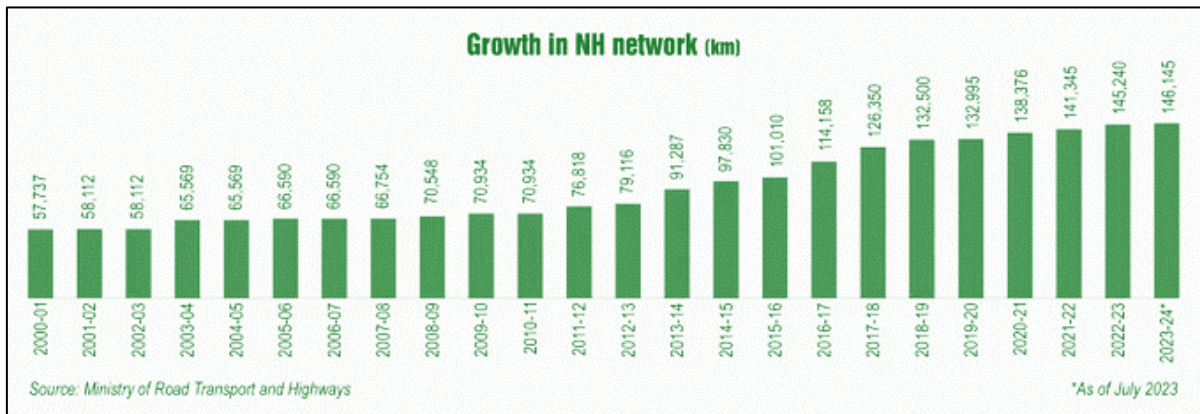
- 5.3.1 The length of National Highways awarded has almost doubled in the years FY15 to FY18 compared to FY14 to FY14.
- 5.3.2 The current rate of road construction is almost three times that in 2007-08.
- 5.3.3 The launch of the Bharatmala Pariyojana in 2017 provided a big fillip to construction activity, with the pace of construction doubling from 12 km per day in 2014-15 to 30 km per day in 2022-23, and peaking at 37 km per day in 2020-21.
- 5.3.4 The government aims to take this up to 100 km per day in the next few years.

Details of National Highway network:



- 5.3.5 The road transport and highways ministry (MoRTH) has received a push with the Union Budget raising the allocation by 36 percent to around Rs 2.7 lakh crore for 2023-24. This is nearly 10 percent jump over the Budgetary allocation of Rs 1.99 lakh crore made in the Budget for 2022-23.
- 5.3.6 The GST on construction equipment has been reduced to 18% from 28%, which is expected to give a boost to infrastructure development in the country.
- 5.3.7 The NHDP is a program to upgrade, rehabilitate and widen major highways in India to a higher standard. The project was started in 1998 to be implemented in 7 phases.
- 5.3.8 With the launch of Bharatmala project, 10,000 km of highway construction left under NHDP was merged with Phase I of the Bharatmala project.
- 5.3.9 The Indian government launched Gati Shakti-National Master Plan, which has consolidated a list of 81 high impact projects, out of which road infrastructure projects were the top priority. The major highway projects include the Delhi-Mumbai expressway (1,350 kilometres), Amritsar-Jamnagar expressway (1,257 kilometres) and Saharanpur-Dehradun expressway (210 kilometres).
- 5.3.10 The main aim of this program is a faster approval process by digitizing the process through a dedicated Gati shakti portal.
- 5.3.11 In December 2021, the government set a highway monetization target of Rs. 2 trillion (US\$ 26.20 billion) for the next 3 years.
- 5.3.12 The Government of India has allocated Rs. 111 lakh crore (US\$ 13.14 billion) under the National Infrastructure Pipeline for FY 2019-25. The Roads sector is expected to account for 18% capital expenditure over FY 2019-25.
- 5.3.13 NHAI is planning to raise Rs. 40,000 crore (US\$ 5.72 billion) to monetise its highway assets through Infrastructure Investment Trust (InvIT). The InvIT of NHAI, National Highways Infra Trust, has raised more than Rs 8,000 crore from foreign and Indian institutional investors till October 2022.
- 5.3.14 The development of market for roads and highways is projected to exhibit a CAGR of 36.16% during 2016-2025, on account of growing government initiatives to improve transportation infrastructure in the country.

Details of National Highway network:



5.4 Implementation of important projects and expressways:

5.4.1 Bharatmala Pariyojna

Bharatmala Pariyojana is a new umbrella program for the highways sector that focuses on optimizing efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps through effective interventions like development of Economic Corridors, Inter Corridors and Feeder Routes, National Corridor Efficiency Improvement, Border and International connectivity roads, Coastal and Port connectivity roads and Green-field expressway.

The Bharatmala Pariyojana envisages development of about 24,800 km length of Economic Corridors, which along with Golden Quadrilateral (GQ) and North-South and East-West (NS-EW) Corridors are expected to carry majority of the Freight Traffic on roads.

A total length of 34,800 km in road projects have been proposed to be constructed with an estimated outlay of Rs 5.35 trillion under Bharatmala Pariyojana Phase-I over a five year period (2017-18 to 2021-22).

5.4.2 Char Dham Vikas Mahamarg Pariyojna:

This project envisages development of easy access to the four dhams in India – Gangotri, Yamunotri, Kedarnath and Badrinath. Development of this route of 889 km route is expected at an estimated cost of INR 12,000 Crores.

5.4.3 Eastern peripheral and western peripheral expressway

These two projects will connect NH-1 and NH-2 from western and eastern side of Delhi.

5.4.4 Setu Bharatam:

This project aims to replace crossings on NHs with Road Over Bridges and Road Under Bridges. It is projected to construct 174 such structures.

5.4.5 To further augment road infrastructure, more economic corridors are also being planned by Government of India as revealed in Budget 2021-22.

- 3,500 km of National Highway works in the state of Tamil Nadu at an investment of INR 1.03 lakh Crores. These include Madurai-Kollam corridor, Chittoor-Thatchur corridor. Construction will start next year.
- 1,100 km of National Highway works in the State of Kerala at an investment of INR 65,000 Crores including 600 km section of Mumbai Kanyakumari corridor in Kerala.
- 675 km of highway works in the state of West Bengal at a cost of INR 25,000 Crores including upgradation of existing road-Kolkata –Siliguri.

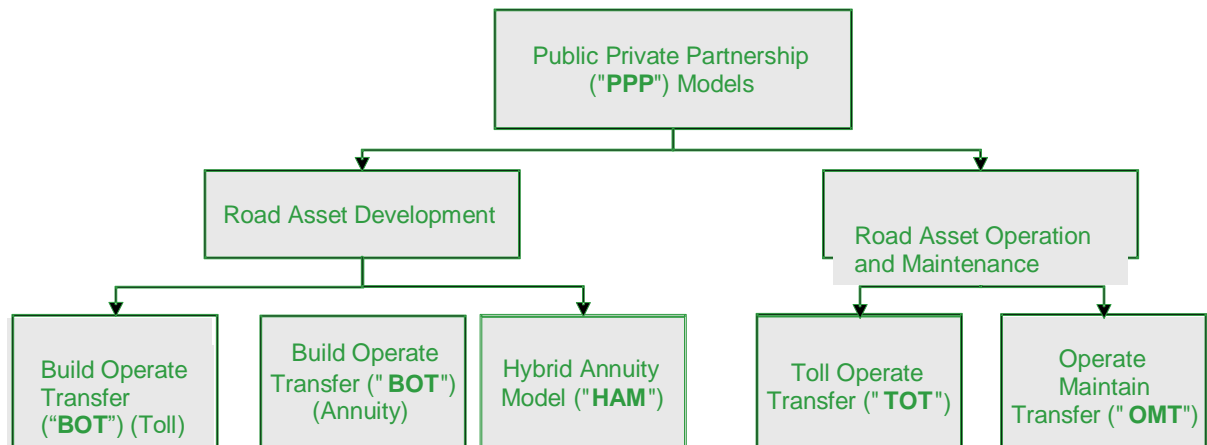
- d. National Highway works of around INR 19,000 Crores are currently in progress in the State of Assam. Further works of more than INR 34,000 Crores covering more than 1300 kms of National Highways will be undertaken in the State in the coming three years.
- e. In the Union Budget of 2022-23, the increase in Budget was a whopping 68% compared to the last year and the government plans to complete 25,000 kilometres of National highways.

5.5 Opportunities in road development & maintenance in India

- a. India has joined the league of 15 of global alliance which will work towards the ethical use of smart city technologies
- b. The Government aims to construct 65,000 kms of national highways at a cost of Rs. 5.35 lakh crore (US\$ 741.51 billion).
- c. The government also aims to construct 23 new national highways by 2025.
- d. Road building in India is second least expensive in Asia.
- e. Andhra Pradesh will spend US\$ 296.05 million to build 8,970 Kms of roads.
- f. In February 2022, NHAI rolled out a plan to construct 5,795 kilometres of highways that will connect 117 districts. The plan was worth Rs. 1 trillion (US\$ 13.09 billion).

5.6 Public Private Partnership (“PPP”) Models of road development and maintenance in India

- 5.6.1 India has a well-developed framework for Public-Private-Partnerships (PPP) in the highway sector. PPP has been a major contributor to the success story of the roads and highway sector in India. With the emergence of private players over the last decade, the road construction market has become fragmented and competitive. Players bidding for projects also vary in terms of size. PPP modes have been used in India for both development and operation & maintenance of road assets.
- 5.6.2 In FY21, there were 125 PPP projects worth US\$ 23.25 billion in India.
- 5.6.3 In August 2020, the Government of India revised the Model Concession Agreement for BOT projects to plug delays by imposing a deadline on the NHAI and incentivising timely work by concessionaires. According to revised norms, the NHAI will have to hand over 90% of the project land (vacant and ready to build) to private developers, thus creating a more market-friendly sector and attracting more private players.



5.6.4 **Road Asset Development Models**

- **BOT Toll**

In a BOT toll project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. The concession period is project specific but is usually for 20-25 years. In BOT Toll model, the concessionaire earns revenue primarily in the form of toll revenue which in turns depends on the traffic on the road stretch. Toll rates are regulated by the government through rules.

- **BOT Annuity**

Similar to a BOT Toll projects, in BOT Annuity project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. However, in these projects, the right to collect toll on road stretch lies with the government. The concessionaire earns revenue in the form of pre-determined semi-annual annuity payments.

- **HAM**

Similar to a BOT projects, in HAM project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. However, in these projects, the right to collect toll on road stretch lies with the government. The construction period for HAM projects is project specific and a fixed operation period of 15 years.

5.7 **Government Investment in the Sector**

5.7.1 Under Union Budget 2023-24, the Government of India has allocated Rs. 270,435 Crore to the Ministry of Road Transport and Highways.

5.7.2 The Government aims to increase the toll revenue to INR 1.3 Trillion by 2030. In 2014, the waiting time at the toll plazas was 734 seconds, whereas in the 2023 this has reduced to 47 seconds. We are hopeful that we will bring it down to 30 second soon

5.7.3 NHAI is in the process to raise Rs. 40,000 crore (US\$ 5.72 billion) to monetize its highway assets through Infrastructure Investment Trust (InvIT).

5.8 Recent Initiatives by Government

5.8.1 **Bhoomi Rashi – Land Acquisition Portal**

The ministry has corroborated with the National Informatics Centre, to create Bhoomirashi, a web portal which digitises the cumbersome land acquisition process, and also helps in processing notifications relating to land acquisition online. Processing time, which was earlier two to three months has come down to one to two weeks now.

5.8.2 **FASTag – Electronic Toll Collection**

National Electronic Toll Collection (NETC) system, has been implemented on pan India basis in order to remove bottlenecks and ensure seamless movement of traffic and collection of user fee as per the notified rates, using passive Radio Frequency Identification (RFID) technology.

5.8.3 **Revival of languishing projects**

Projects which were languishing for a number of years have been attempted to be revived, with the help of a number of policy measures taken by the government. Some of the policy measures like Premium deferment in stressed projects, extension of concession period for languishing projects to the extent of delay not attributable to concessionaires, One Time Capital Support for physical completion of languishing projects that have achieved at least 50 per cent physical progress, through one time fund infusion by NHAI, subject to adequate due diligence on a case to case basis.

5.8.4 Rural development

Under the Union Budget 2023-24, the Government of India allocated Rs. 19,000 (US\$ 2.37 billion) for Pradhan Mantri Gram Sadak Yojana (PMGSY).

5.8.5 Portfolios in roads & highways sector

In October 2020, the National Investment and Infrastructure Fund (NIIF) is making progress towards integrating its road and highway portfolio. The NIIF has acquired Essel Devanahalli Tollway and Essel Dichpally Tollway through the NIIF master fund. These road infra-projects will be supported by Athaang Infrastructure, NIIF's proprietary road network, assisted by a team of established professionals with diverse domain expertise in the transport field.

5.8.6 International Tie-ups

In December 2020, the Ministry of Road Transport and Highways signed an MoU with the Federal Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology of the Republic of Austria on technology cooperation in the road infrastructure sector.

5.8.7 Encourage private funding to reduce finance constraints

- Cumulative FDI inflows in construction development stood at US\$ 26.21 billion between April 2000-March 2022. Maif 2 Investments India Pvt. Ltd. became the first-largest foreign investment in Indian roads sector under toll-operate-transfer (TOT) mode worth Rs. 9,681.5 crore (US\$ 1.50 billion).
- In October 2020, the Asian Development Bank (ADB) and the Government of India signed a US\$ 177 million loan to upgrade 450 kms of state highways and major district roads in Maharashtra.
- In January 2021, the Government of India and New Development Bank (NDB) signed two loan agreements for US\$ 646 million for upgrading the state highway and district road networks in Andhra Pradesh.
- In August 2020, the Government of India revised the Model Concession Agreement for BOT projects to plug delays by imposing a deadline on the NHAI and incentivising timely work by concessionaires.
- According to revised norms, the NHAI will have to hand over 90% of the project land (vacant and ready to build) to private developers, thus creating a more market-friendly sector and attracting more private players.

5.9 **Outlook**

5.9.1 India's infrastructure sector is rapidly evolving and the key trends demonstrate positivity and optimism. The market for roads and highways in India is projected to exhibit a CAGR of 36.16% during 2016-2025, on account of growing Government initiatives to improve transportation infrastructure in the country. For the period of 2016-17 to 2021-22, the CAGR stands at 20%.

5.9.2 Development and maintenance of road infrastructure is a key Government priority, the sector has received strong budgetary support over the years. During the past years, the standardized processes for Public Private Partnership & public funded projects and a clear policy framework relating to bidding and tolling have also been developed.

5.9.3 The major initiatives undertaken by the Government such as National Infrastructure Pipeline (NIP) and the PM Gati Shakti National Master Plan will raise productivity, and accelerate economic growth and sustainable development.

5.9.4 The highways sector in India has been at the forefront of performance and innovation. The government is committed towards expanding the National Highway network to 2 lakh kilometres by 2025 emphasizing the construction of the World Class Road infrastructure in time bound & target oriented way. India has a well-developed framework for Public-Private-Partnerships (PPP) in the highway sector.

5.9.5 The Asian Development Bank ranked India at the first spot in PPP operational maturity and also designated India as a developed market for PPPs. The Hybrid Annuity Model (HAM) has balanced risk appropriated between private and public partners and boosted PPP activity in the sector.

Sources: IBEF Roads Report, November 2022; KPMG Report - Roads and Highway Sector; ICRA reports, website of Ministry of Road Transport and Highways, Government of India.

6. Valuation Methodology and Approach

- 6.1. The present valuation exercise is being undertaken in order to derive the fair EV of the SPVs.
- 6.2. The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the valuers, based on the facts and circumstances as applicable to the business of the company to be valued.
- 6.3. There are three generally accepted approaches to valuation:
 - (a) "Cost" approach
 - (b) "Market" approach
 - (c) "Income" approach

6.4. Cost Approach

The cost approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, cost value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

Net Asset Value ("NAV") Method

The NAV Method under Cost Approach considers the assets and liabilities, including intangible assets and contingent liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any, represent the value of a company.

The NAV Method is appropriate in a case where the main strength of the business is its asset backing rather than its capacity or potential to earn profits. This valuation approach is also used in cases where the firm is to be liquidated, i.e. it does not meet the "Going Concern" criteria.

As an indicator of the total value of the entity, the NAV method has the disadvantage of only considering the status of the business at one point in time.

Additionally, NAV does not properly take into account the earning capacity of the business or any intangible assets that have no historical cost. In many aspects, NAV represents the minimum benchmark value of an operating business.

6.5. Market Approach

Under the Market approach, the valuation is based on the market value of the company in case of listed companies, and comparable companies' trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

Comparable Companies Multiples ("CCM") Method

The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Multiples ("CTM") Method

Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/Earnings before Interest, Taxes, Depreciation & Amortization ("**EBITDA**") multiple and EV/Revenue multiple.

Market Price Method

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

6.6. **Income Approach**

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

DCF Method

Under DCF Method value of a company can be assessed using the FCFF or Free Cash Flow to Equity Method ("FCFE"). Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the WACC. The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations. The EV (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

6.7. **Conclusion on Valuation Approach**

It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I have made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the SPVs. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the SPVs, and other factors which generally influence the valuation of companies and their assets.

6.8. The goal in selection of valuation approaches and methods for any business is to find out the most appropriate method under particular circumstances on the basis of available information. No one method is suitable in every possible situation. Before selecting the appropriate valuation approach and method, I have considered various factors, inter-alia, the basis and premise of current valuation exercise, purpose of valuation exercise, respective strengths and weaknesses of the possible valuation approach and methods, availability of adequate inputs or information and its reliability and valuation approach and methods considered by the market participants.

Cost Approach

The existing book value of EV of the SPVs comprising of the value of its Net fixed assets, Financial assets, Other non-current assets and working capital based on the provisional financial statements as at 31st March 2024 prepared as per Indian Accounting Standards (Ind AS) are as under :

INR Mn			
SR No.	SPV	Book EV*	Adjusted EV**
1	GPEL	4,626	5,988
2	PDEPL	7,500	8,462
3	GDHPL	8,778	9,918
4	GASHPL	3,700	4,628
5	VSEPL	11,539	13,246
6	GSSHPL	4,816	5,523
7	GDDHPL	4,814	5,955
Total of all SPVs		45,772	53,721

** Enterprise Value (“EV”) is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.*

*** Adjusted Enterprise Value of the SPVs is derived as the EV as defined above plus cash or cash equivalents of the SPVs as at the Valuation Date.*

In the present case, the SPVs operate and maintain the project facilities in accordance with the terms and conditions under the relevant concession agreement(s). During the concession period, the SPVs operate and maintain their respective road assets and earn revenues through annuity payment that are pre-determined as per the respective concession agreement. In such scenario, the true worth of the business is reflected in its future earning capacity rather than the cost of the project. Accordingly, I have not considered the cost approach for the current valuation exercise.

Market Approach

The present valuation exercise is to undertake fair EV of the SPVs engaged in the road infrastructure projects for a predetermined tenure. Further, the tariff revenue and expenses are very specific to the SPVs depending on the nature of their geographical location, stage of project, terms of profitability. In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPVs, I have not considered CCM method in the present case. In the absence of adequate details about the Independent Comparable Transactions, I was unable to apply the CTM method as a measure of valuation. Currently, the equity shares of the SPVs are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

Income Approach

Each of the SPVs operates under a DBOT based concession agreement with NHAI.

Currently, each of the SPVs are completed and are revenue generating. The revenue of the SPVs is based on tenure, annuity payments, operations and other factors that are unique to each of the SPVs. The revenue of the SPVs is mainly derived from the annuity payments (annuity fees), interest income on balance annuity payments (which is linked to bank rate) and O&M payments (adjusted for inflation), that is defined under respective Concession Agreement for operation period.

The annuity fees are typically pre-determined with the relevant government authority (NHAI in this case) and cannot be modified to reflect prevailing circumstances. Interest on balance annuity payments are linked to bank rate, which is changed by RBI based on prevailing market conditions. The rights in relation to the underlying assets of all the SPVs shall be transferred after the expiry of the Concession Period. Accordingly, since all the SPVs are generating income based on pre-determined agreements / mechanism and since the Investment Manager has provided me with the financial projections of the SPVs for the balance tenor of the concession agreements, DCF Method under the income approach has been considered as the appropriate method for the present valuation exercise.

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7. Valuation of the SPVs

7.1. I have estimated the fair EV and Adjusted Enterprise Value of the SPVs using the DCF Method. While carrying out this engagement, I have relied extensively on the information made available to me by the Investment Manager. I have considered projected financial statement of the SPVs as provided by the Investment Manager.

Valuation

7.2. The key assumptions of the projections provided to me by the Investment Manager are:

Key Assumptions:

7.2.1. Revenue cash flows

The Cash flow for the SPVs can be divided into two segments:

Payment NHAI during the Construction Period:

Each SPV was eligible to receive 40% of the Bid Project Cost, adjusted for the price index multiple, in 5 equal installments during the construction period. I have been represented by the Investment Manager that all the SPVs have received the agreed portion of the inflation adjusted bid project cost (of 40%) as per their respective concession agreement. Hence, no further cash flow receipts are attributable towards this segment of cash flows.

Payment by NHAI during the Operation Period: Accordingly, the revenue of the SPVs would mainly consists of the following receipts:

- a. **Annuity payments:** The Bid Project Cost remaining, adjusted for the price index multiple, to be paid in pursuance of the respective concession agreements (i.e. the Balance Completion Cost) is eligible to be received by the respective SPVs by way of specified biannual installments as mentioned in their respective concession agreement for the balance period of operations.
- b. **Interest:** As per the concession agreements, the SPVs are entitled to receive interest on reducing Balance Completion Cost equal to applicable Bank Rate (as decided by the Monetary Policy Committee and published by the Reserve Bank of India) + 3.00% spread. Such interest is due and payable along with each of the biannual installments as mentioned above; and
- c. **Operation and Maintenance Revenue:** In lieu of O&M expenses to be incurred by SPV, SPVs are eligible for certain O&M income (as defined in the respective concession agreement) at each biannual installment date, duly adjusted for an appropriate inflation rate.

Following table summarizes the payment received by the respective SPVs from NHAI till the Valuation Date, and balance number of biannual annuity installments expected to be received:

INR in Mn	GPEL*	PDEPL*	GDHPL*	GASHPL*	VSEPL*	GSSHPL*	GDDHPL*
First Annuity Amount	567	632	778	331	1,080	405	482
Second Annuity Amount	561	630	796	303	1,100	393	594
Third Annuity Amount	556	636	897	343	1,095	452	591
Fourth Annuity Amount	562	633	929	434	1,197	337	
Fifth Annuity Amount	578	678	937	400	1,271	464	
Sixth Annuity Amount	641	737		399	1,293		
Seventh Annuity Amount	656	729					
Eighth Annuity Amount	656						
Total	4,777	4,675	4,337	2,210	7,036	2,052	1,667
No. of Annuities received till date	8	7	5	6	6	5	3
No. of Annuities yet to be received	22	23	25	24	24	25	27

*The annuities have been rounded-off

7.2.2. **Expenditure:**

Since all the SPVs are operational on the Valuation Date, following are the major costs incurred by the SPV:

Operation and Maintenance Costs (Routine) (“O&M Costs”)

These are routine costs incurred every year. These costs are related to the normal wear and tear of the road and hence involve repairing the patches damaged mainly due to heavy traffic movement. O&M Costs also includes staff salaries, project management fees, professional fees, insurance, security expenses, electricity, etc. The primary purpose of these expenses is to maintain the road as per the specifications mentioned in the respective concession agreement. SPV is generally responsible for carrying out operation and maintenance activities at its road during its concession period. Within the scope of such operation and maintenance obligations, the SPV may be required to undertake routine maintenance of project roads, maintain and comply with safety standards to ensure smooth and safe traffic movement, deploy adequate human resources for incident management, maintain proper medical and sanitary arrangements for personnel deployed at the site, prevent any unauthorized entry to and exit from the project as may be required.

The Investment Manager has provided the estimated O&M costs for the projected period and I have corroborated the said expenses with O&M Contract signed with GR Infra through the Project manager i.e. Aadharshila Infratech Private Limited.

I understand that at the end of the seven years from the date of listing of units of the Trust, the O&M contract may be reviewed at the discretion of either of the contracting parties and the costs thereof may be mutually renegotiated if required.

Major Maintenance and Repairs Costs (“MMR Costs”)

Estimating the MMR Costs

Period maintenance expenses will be incurred on periodic basis say every 5 years or more. These are the costs incurred to bring the road assets back to its earlier condition or keep the road assets in its present condition. These expenses are primarily related to the construction or re-laying of the top layer of the road. Accordingly, such costs includes considerable amount of materials and labour.

The Investment Manager has provided the estimated MMR cost for the projected period and I have corroborated the said expenses with O&M contract signed with GR Infra through the Project manager i.e. Aadharshila Infratech Private Limited. I understand that at the end of the seven years from the date of listing of units of the Trust, the O&M contract may be reviewed at the discretion of either of the contracting parties and the costs thereof may be mutually renegotiated if required.

7.2.3. **Capital Expenditure (“Capex”):** As represented by the Investment Manager, regarding the maintenance Capex, the same has already been considered in the Operation & Maintenance expenditure and Major Maintenance and Repairs expenditure for the projected period.

7.2.4. **Direct Taxes:** As per the discussions with the Investment Manager, the new provisions of Income Tax Act, 1961 (Section 115BAA) have been considered for the projected period of all SPVs. The SPVs have been filing their income tax returns basis the IND AS Income, adjusted for adjustments prescribed by Income Computation and Deduction Standards IV i.e Revenue Recognition, which can be substantiated from the tax audit reports of the respective SPVs. I have relied on the representation of the Investment Manager for the projected tax outflow for the projected period.

7.2.5. **Working Capital:**

The Investment Manager has provided projected financial information on biannual basis for all the SPVs. The biannual period are based on the annuity dates of the respective SPVs. The amount of O&M expenses payable to GR Infra by the SPVs on the basis of their respective O&M Agreements is also due and payable on the basis of the annuity amount and date on which annuities are received. Hence, for all the SPVs where annuity payments are material component of revenue, there are no receivables and payables estimated to be outstanding at their respective annuity dates during the biannually prepared projected period. Other working capital items outstanding as at the Valuation Date mainly represents the advance income tax, GST input tax (and cash) credit, prepaid expenses, etc. that are separately adjusted in the calculation of the enterprise values of the SPVs. The Investment Manager has provided projected Working Capital information for all the SPVs. I have relied on the same.

7.2.6. **GST Claim:** The Investment Manager has informed us that due to the changes in extant provision of the Goods & Services Tax (“GST”) laws, the SPVs are eligible to receive GST claim from NHAI which are as follows:

- i. **On Annuity:** As per the clarification notification of Ministry of Road Transport & Highways as on 27th August 2021 vis-à-vis Ministry of Finance circular dated 17th June 2021, SPVs are eligible to claim reimbursement of GST on annuity, considering change in law, after adjusting GST input credit lying with the SPVs.
- ii. **On Interest on Annuity:** As per the Ministry of Finance circular dated 17th June 2021, GST will be applicable on annuity (deferred payments) paid for construction of roads i.e. annuity plus interest, additionally Ministry of Road Transport & Highways issued clarification dated 17th June 2021 that the SPVs will be eligible to claim reimbursement of GST on interest.
- iii. **Change in GST rates:** Ministry of Finance vide notification no. 03/2022 dated 13th July 2022, increased the GST rates applicable on road construction services from 12% to 18%. As per the clarification of Ministry of Road Transport & Highways dated 20th September 2022, the above increase in GST rates are eligible for reimbursement from NHAI as it is considered as change in law (i.e. change of rate).

7.3. **Impact of Ongoing Material Litigation on Valuation**

As on 31st March 2024, there are no ongoing material litigations, except indirect tax litigations as shown in Appendix 4. Further, Investment Manager has informed us that majority of the tax litigations are low to medium risk and accordingly no material outflow is expected against the litigations, hence no impact has been factored on the valuation of the SPVs. Further, I have been informed by the Investment Manager that the tax litigations prior to acquisition of SPVs by the Trust shall be covered by an indemnity given by the Settlor (GR Infra) for a period of eight years (from date of such transfer) through the Share Purchase Agreement (“SPA”) to be executed between the Trust and the Settlor.

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7.4. Calculation of Weighted Average Cost of Capital for the SPVs

7.4.1. **Cost of Equity:**

Cost of Equity (CoE) is a discounting factor to calculate the returns expected by the equity holders depending on the perceived level of risk associated with the business and the industry in which the business operates.

For this purpose, I have used the Capital Asset Pricing Model (CAPM), which is a commonly used model to determine the appropriate cost of equity for the SPVs.

$$K(e) = R_f + [ERP * \text{Beta}] + \text{CSRP}$$

Wherein:

K(e) = cost of equity

R_f = risk free rate

ERP = Equity Risk Premium

Beta = a measure of the sensitivity of assets to returns of the overall market

CSRP = Company Specific Risk Premium (In general, an additional company-specific risk premium will be added to the cost of equity calculated pursuant to CAPM).

For valuation exercise, I have arrived at adjusted cost of equity of the SPVs based on the above calculation (Refer Appendix 2).

7.4.2. **Risk Free Rate:**

I have applied a risk free rate of return of 6.97% on the basis of the zero coupon yield curve as on 31st March 2024 for government securities having a maturity period of 10 years, as quoted on the website of Clearing Corporation of India Limited.

7.4.3. **Equity Risk Premium (“ERP”):**

Equity Risk Premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. The equity risk premium is estimated based on consideration of historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds. Based on the aforementioned, a 7% equity risk premium for India is considered appropriate.

7.4.4. **Beta:**

Beta is a measure of the sensitivity of a company’s stock price to the movements of the overall market index. In the present case, I find it appropriate to consider the beta of companies in similar business/ industry to that of the SPVs for an appropriate period.

For the valuation of the SPVs, I find it appropriate to consider the beta of MEP Infrastructure Developers Limited, Bharat Road Network Limited and IRB InvIT fund for an appropriate period. The beta so arrived, is further adjusted based on the factors of mentioned SPVs like completion of projects, revenue certainty, past collection trend, lack of execution uncertainty, etc. to arrive at the adjusted unlevered beta appropriate to the SPVs.

I have further unlevered the beta of such companies based on market debt-equity of the respective company using the following formula:

$$\text{Unlevered Beta} = \text{Levered Beta} / [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

Further I have re-levered it based on debt-equity at 70:30 based on the industry Debt: Equity ratio of HAM based projects using the following formula:

$$\text{Re-levered Beta} = \text{Unlevered Beta} * [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

Accordingly, as per above, I have arrived at re-levered betas of the SPVs. (Refer Appendix 2)

7.4.5. **Company Specific Risk Premium (“CSRP”):**

As the risk inherent in achieving the future cash flows. In the present case, considering the counterparty risk for Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well certain SPVs, considering the length of the explicit period for the SPVs, and basis my discussion with Investment Manager, I found it appropriate to 0% CSRP for the SPVs.

7.4.6. **Cost of Debt:**

The calculation of Cost of Debt post-tax can be defined as follows:

$$K(d) = K(d) \text{ pre-tax} * (1 - T)$$

Wherein:

K(d) = Cost of debt

T = tax rate as applicable

For valuation exercise, pre-tax cost of debt has been considered as 8.20%, as represented by the Investment Manager.

7.4.7. **Weighted Average Cost of Capital (WACC):**

The discount rate, or the WACC, is the weighted average of the expected return on equity and the cost of debt. The weight of each factor is determined based on the company's optimal capital structure.

Formula for calculation of WACC:

$$\text{WACC} = [K(d) * \text{Debt} / (\text{Debt} + \text{Equity})] + [K(e) * (1 - \text{Debt} / (\text{Debt} + \text{Equity}))]$$

Accordingly, as per above, I have arrived the WACC for the explicit period of the SPVs.

(Refer Appendix 2 for detailed workings).

7.4.8. **Cash Accrual Factor (CAF) and Discounting Factor**

Discounted cash flow requires to forecast cash flows in future and discount them to the present in order to arrive at present value of the asset as on Valuation Date. To discount back the projections we take in use cash accrual factor. The Cash Accrual Factor refers to the duration between the Valuation date and the point at which each cash flow is expected to accrue. Since the cash inflows and outflows occur continuously year-round, it could be inaccurate to assume that the cash proceeds are all received at the end of each year. As a compromise, mid-year discounting is integrated into DCF models to assume that FCFs are received in the middle of the annual period.

Accordingly, the cash flows during each year of the projected period are discounted back from the mid-year to Valuation Date.

Discounted cash flow is equal to sum of the cash flow in each period divided by discounting factor, where the discounting factor is determined by raising one plus discount rate (WACC) to the power of the CAF.

$$\text{DCF} = [\text{CF}_1 / (1+r)^{\text{CAF}_1}] + [\text{CF}_2 / (1+r)^{\text{CAF}_2}] + \dots + [\text{CF}_n / (1+r)^{\text{CAF}_n}]$$

Where,

CF = Cash Flows,

CAF = Cash accrual factor for particular period

R = Discount Rate (i.e. WACC)

- 7.5. At the end of the agreed concession period, the rights in relation to the underlying assets, its operations and the obligation to maintain the road reverts to the government authority that granted the concession. Hence, SPVs are not expected to generate cash flow after the expiry of their respective concession agreements. Accordingly, I found it appropriate not to consider terminal period value, which represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life, in this valuation exercise.

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8. Valuation Conclusion

- 8.1. The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perceptions, key underlying assumptions and limitations were given due consideration.
- 8.2. I have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of valuation date; hence no impact has been factored in to arrive at fair EV of the SPVs.
- 8.3. Based on the above analysis, the fair EV and Adjusted Enterprise Value as on the Valuation Date of the SPVs is as mentioned below:

						INR
Sr. No.	SPVs	Approximate Projection Period (Balance Concession Period)	WACC	Fair EV (INR Mn)	Fair Adj EV (INR Mn)	
1	GPEL	~10 Years -1 Months	7.33%	5,126	6,488	
2	PDEPL	~11 Years 1 Months	7.33%	8,347	9,309	
3	GDHPL	~12 Years 3 Months	7.33%	9,947	11,087	
4	GASHPL	~12 Years 0 Months	7.33%	4,330	5,258	
5	VSEPL	~11 Years -5 Months	7.33%	14,005	15,712	
6	GSSHPL	~12 Years 3 Months	7.33%	5,557	6,264	
7	GDDHPL	~13 Years 4 Months	7.33%	6,005	7,147	
Total				53,316	61,266	

(Refer Appendix 1 for detailed workings)

- 8.4. EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.
- 8.5. Adjusted Enterprise Value is derived as EV as defined above plus cash or cash equivalents of the SPVs as at 31st March 2024.
- 8.6. On request of the Investment Manager, I have also calculated the 100% Equity Value of the SPVs as on the Valuation Date. For arriving at the 100% Equity Value, I have adjusted the EV arrived under DCF method for cash & cash equivalents, borrowings from lenders and Subordinated debts from related party, based on the balance sheet of the SPVs as on the Valuation Date to arrive at the 100% Equity Value of the SPVs
- 8.7. Calculation of Equity Value of the SPVs as on the Valuation Date:

								INR Mn
Particulars	GPEL	PDEPL	GDHPL	GASHPL	VSEPL	GSSHPL	GDDHPL	
Fair Enterprise Value	5,126	8,347	9,947	4,330	14,005	5,557	6,005	
<i>Adjustments:</i>								
Cash & Cash Equivalents	1,362	963	1,140	928	1,707	708	1,142	
Cash & Cash Equivalents payable to GR Infra	-	-	-	-	702	-	-	
CIL Claim payable to GR Infra	-	-	-	-	(702)	-	-	
Non-Convertible Debentures	(817)	-	-	-	(5,712)	-	-	
Borrowings from Related party	(3,654)	(6,080)	(7,876)	(3,435)	(4,089)	(4,059)	(5,240)	
Equity Value	2,017	3,230	3,212	1,823	5,911	2,205	1,906	

- 8.8. The fair EV of the SPVs is estimated using DCF method. The valuation requires Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.

- 8.9. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 8.10. Accordingly, I have conducted a quantitative sensitivity analysis on certain model inputs, the results of which are as indicated below:
- WACC by increasing / decreasing it by 1.0%
 - WACC by increasing / decreasing it by 0.5%
 - Total Expenses by increasing / decreasing it by 10%
 - Total Expenses by increasing / decreasing it by 20%

1. Fair Enterprise Valuation Range based on

a. WACC parameter (1.0%)

Sr. No.	SPVs	WACC +1.0%	EV	Base WACC	EV	INR Mn	
						WACC -1%	EV
1	GPEL	8.33%	4,918	7.33%	5,126	6.33%	5,349
2	PDEPL	8.33%	7,996	7.33%	8,347	6.33%	8,724
3	GDHPL	8.33%	9,513	7.33%	9,947	6.33%	10,415
4	GASHPL	8.33%	4,122	7.33%	4,330	6.33%	4,555
5	VSEPL	8.33%	13,410	7.33%	14,005	6.33%	14,648
6	GSSHPL	8.33%	5,300	7.33%	5,557	6.33%	5,834
7	GDDHPL	8.33%	5,690	7.33%	6,005	6.33%	6,349
Total of all SPVs			50,949		53,316		55,875

b. WACC parameter (0.5%)

Sr. No.	SPVs	WACC +0.5%	EV	Base WACC	EV	INR Mn	
						WACC -0.5%	EV
1	GPEL	7.83%	5,020	7.33%	5,126	6.83%	5,236
2	PDEPL	7.83%	8,168	7.33%	8,347	6.83%	8,532
3	GDHPL	7.83%	9,726	7.33%	9,947	6.83%	10,177
4	GASHPL	7.83%	4,224	7.33%	4,330	6.83%	4,440
5	VSEPL	7.83%	13,702	7.33%	14,005	6.83%	14,321
6	GSSHPL	7.83%	5,426	7.33%	5,557	6.83%	5,693
7	GDDHPL	7.83%	5,844	7.33%	6,005	6.83%	6,173
Total of all SPVs			52,110		53,316		54,571

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c. Expenses parameter (10%)

INR Mn				
Sr. No.	SPVs	EV at Expenses +10.0%	EV at Base Expenses	EV at Expenses -10.0%
1	GPEL	4,906	5,126	5,345
2	PDEPL	8,257	8,347	8,437
3	GDHPL	9,723	9,947	10,171
4	GASHPL	4,277	4,330	4,382
5	VSEPL	13,744	14,005	14,267
6	GSSHPL	5,500	5,557	5,614
7	GDDHPL	5,937	6,005	6,073
Total of all SPVs		52,343	53,316	54,288

d. Expenses parameter (20%)

INR Mn				
Sr. No.	SPVs	EV at Expenses +20.0%	EV at Base Expenses	EV at Expenses -20.0%
1	GPEL	4,632	5,126	5,621
2	PDEPL	8,167	8,347	8,544
3	GDHPL	9,499	9,947	10,394
4	GASHPL	4,225	4,330	4,440
5	VSEPL	13,483	14,005	14,528
6	GSSHPL	5,435	5,557	5,678
7	GDDHPL	5,869	6,005	6,149
Total of all SPVs		51,308	53,316	55,354

2. Adjusted Enterprise Valuation Range based on

a. WACC parameter (1.0%)

INR Mn							
Sr. No.	SPVs	WACC +1.0%	Adjusted EV	Base WACC	Adjusted EV	WACC -1.0%	Adjusted EV
1	GPEL	8.33%	6,279	7.33%	6,488	6.33%	6,711
2	PDEPL	8.33%	8,959	7.33%	9,309	6.33%	9,687
3	GDHPL	8.33%	10,654	7.33%	11,087	6.33%	11,556
4	GASHPL	8.33%	5,050	7.33%	5,258	6.33%	5,482
5	VSEPL	8.33%	15,117	7.33%	15,712	6.33%	16,355
6	GSSHPL	8.33%	6,008	7.33%	6,264	6.33%	6,542
7	GDDHPL	8.33%	6,831	7.33%	7,147	6.33%	7,491
Total of all SPVs			58,898		61,266		63,824

b. WACC parameter (0.5%)

Sr. No.	SPVs	INR Mn					
		WACC +0.5%	Adjusted EV	Base WACC	Adjusted EV	WACC -0.5%	Adjusted EV
1	GPEL	7.83%	6,382	7.33%	6,488	6.83%	6,598
2	PDEPL	7.83%	9,131	7.33%	9,309	6.83%	9,494
3	GDHPL	7.83%	10,866	7.33%	11,087	6.83%	11,317
4	GASHPL	7.83%	5,152	7.33%	5,258	6.83%	5,368
5	VSEPL	7.83%	15,409	7.33%	15,712	6.83%	16,028
6	GSSHPL	7.83%	6,134	7.33%	6,264	6.83%	6,400
7	GDDHPL	7.83%	6,986	7.33%	7,147	6.83%	7,315
Total of all SPVs			60,059		61,266		62,520

c. Expenses parameter (10%)

Sr. No.	SPVs	INR Mn		
		EV at Expenses +10.0%	EV at Base Expenses	EV at Expenses -10.0%
1	GPEL	6,268	6,488	6,707
2	PDEPL	9,219	9,309	9,399
3	GDHPL	10,863	11,087	11,311
4	GASHPL	5,205	5,258	5,310
5	VSEPL	15,451	15,712	15,974
6	GSSHPL	6,207	6,264	6,321
7	GDDHPL	7,079	7,147	7,215
Total of all SPVs		60,292	61,266	62,237

d. Expenses parameter (20%)

Sr. No.	SPVs	INR Mn		
		EV at Expenses +20.0%	EV at Base Expenses	EV at Expenses -20.0%
1	GPEL	5,993	6,488	6,983
2	PDEPL	9,129	9,309	9,506
3	GDHPL	10,639	11,087	11,535
4	GASHPL	5,153	5,258	5,368
5	VSEPL	15,190	15,712	16,235
6	GSSHPL	6,143	6,264	6,386
7	GDDHPL	7,010	7,147	7,291
Total of all SPVs		59,257	61,266	63,304

3. 100% Equity Valuation Range based on

a. WACC parameter (1.0%)

Sr. No.	SPVs	INR Mn					
		WACC +1.0%	Equity Value	Base WACC	Equity Value	WACC -1.0%	Equity Value
1	GPEL	8.33%	1,808	7.33%	2,017	6.33%	2,240
2	PDEPL	8.33%	2,879	7.33%	3,230	6.33%	3,607
3	GDHPL	8.33%	2,778	7.33%	3,212	6.33%	3,680
4	GASHPL	8.33%	1,615	7.33%	1,823	6.33%	2,048
5	VSEPL	8.33%	5,316	7.33%	5,911	6.33%	6,554
6	GSSHPL	8.33%	1,948	7.33%	2,205	6.33%	2,483
7	GDDHPL	8.33%	1,591	7.33%	1,906	6.33%	2,250
Total of all SPVs			17,936		20,303		22,861

b. WACC parameter (0.5%)

Sr. No.	SPVs	INR Mn					
		WACC +0.5%	Equity Value	Base WACC	Equity Value	WACC -0.5%	Equity Value
1	GPEL	7.83%	1,911	7.33%	2,017	6.83%	2,126
2	PDEPL	7.83%	3,051	7.33%	3,230	6.83%	3,415
3	GDHPL	7.83%	2,991	7.33%	3,212	6.83%	3,441
4	GASHPL	7.83%	1,717	7.33%	1,823	6.83%	1,933
5	VSEPL	7.83%	5,608	7.33%	5,911	6.83%	6,226
6	GSSHPL	7.83%	2,074	7.33%	2,205	6.83%	2,341
7	GDDHPL	7.83%	1,745	7.33%	1,906	6.83%	2,075
Total of all SPVs			19,097		20,303		21,557

c. Expenses parameter (10%)

Sr. No.	SPVs	INR Mn		
		Equity Value at Expenses +10.0%	Equity Value at Base Expenses	Equity Value at Expenses - 10%
1	GPEL	1,796	2,017	2,235
2	PDEPL	3,140	3,230	3,320
3	GDHPL	2,988	3,212	3,435
4	GASHPL	1,770	1,823	1,876
5	VSEPL	5,650	5,911	6,173
6	GSSHPL	2,148	2,205	2,262
7	GDDHPL	1,838	1,906	1,975
Total of all SPVs		19,330	20,303	21,275

d. Expenses parameter (20%)

Sr. No.	SPVs	INR Mn		
		Equity Value at Expenses +20.0%	Equity Value at Base Expenses	Equity Value at Expenses -20.0%
1	GPEL	1,522	2,017	2,511
2	PDEPL	3,049	3,230	3,427
3	GDHPL	2,764	3,212	3,659
4	GASHPL	1,718	1,823	1,933
5	VSEPL	5,388	5,911	6,434
6	GSSHPL	2,084	2,205	2,326
7	GDDHPL	1,770	1,906	2,051
Total of all SPVs		18,295	20,303	22,341

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9. Additional Procedures to be complied with in accordance with InvIT regulations

Scope of Work

9.1 The Schedule V of the SEBI InvIT Regulations prescribes the minimum set of mandatory disclosures to be made in the valuation report. In this reference, the minimum disclosures in valuation report may include following information as well, so as to provide the investors with the adequate information about the valuation and other aspects of the underlying assets of the InvIT.

The additional set of disclosures, as prescribed under Schedule V of InvIT Regulations, to be made in the valuation report of the SPVs are as follows:

- Purchase Price of the SPV by the InvIT
- Valuation of the InvIT Assets in past
- List of one-time sanctions/approvals which are obtained or pending;
- List of up to date/overdue periodic clearances;
- Statement of assets;
- Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;
- Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;
- On-going material litigations including tax disputes in relation to the assets, if any;
- Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

Limitations

9.2 This Report is based on the information provided by the representatives of the Investment Manager. The exercise has been restricted and kept limited to and based entirely on the documents, records, files, registers and information provided to me. I have not verified the information independently with any other external source.

9.3 I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as original, and the conformity of the copies or extracts submitted to me with that of the original documents.

9.4 I have assumed that the documents submitted to me by the representatives of Investment Manager in connection with any particular issue are the only documents related to such issue.

9.5 I have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and I do not express any opinion as to the legal or technical implications of the same.

Analysis of Additional Set of Disclosures for the SPVs

A. Purchase Price of the SPV by the InvIT

As informed by the Investment manager, following are the purchase price of the SPVs of the InvIT against which units of Bharat Highways InvIT for an equal amount have been allotted to G R Infraprojects during the IPO of InvIT for 100% Equity.

Sr. No.	SPVs	Purchase Price* (INR Mn)	Acquisition date
1	GPEL	1,232	29 th February, 2024
2	PDEPL	2,437	29 th February, 2024
3	GDHPL	2,075	29 th February, 2024
4	GASHPL	1,260	29 th February, 2024
5	VSEPL	4,044	29 th February, 2024
6	GSSHPL	1,507	29 th February, 2024
7	GDDHPL	1,199	29 th February, 2024

* Purchase price considered basis the number of units allotted to G R Infraprojects during the IPO of InvIT for 100% equity stake

B. Valuation of the InvIT Assets in past

The Trust has acquired from G R Infraprojects Limited ("GR Infra") the SPVs, viz. GPEL, PDEPL, GDHPL, GASHPL, VSEPL, GSSHPL and GDDHPL. Following is the summary of the past EVs and the date of acquisition of the SPVs:

EV (INR Mn)	GPEL	PDEPL	GDHPL	GASHPL	VSEPL	GSSHPL	GDDHPL	Total
30-Jun-22	6,776	9,455	11,619	4,784	15,794	5,910	6,585	60,923
31-Mar-23	6,205	9,467	11,197	5,085	15,946	6,089	6,941	60,931
30-Sep-23	5,670	8,877	10,455	5,063	14,941	5,796	6,471	57,273

C. List of one-time sanctions/approvals which are obtained or pending:

As informed by the Investment Manager, there are no pending applications for government sanctions/ approvals by the SPVs (related to the road stretches of the SPVs) which are pending as on 31st March 2024. The list of sanctions/ approvals obtained by the SPVs till 31st March 2024 is provided in Appendix 3.1 to Appendix 3.7.

D. List of up to date/ overdue periodic clearances:

The Investment Manager has confirmed that the SPVs are not required to take any periodic clearances and hence there are no up to date/ overdue periodic clearances as on 31st March 2024.

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E. Statement of assets included:

The details of assets of the SPVs as per the provisional financial statements at 31st March 2024 are as mentioned below:

INR Mn				
Sr. No.	SPVs	Net Fixed Assets	Non Current Assets	Current Assets
1	GPEL	-	4,534	1,827
2	PDEPL	-	7,812	1,294
3	GDHPL	-	8,242	2,076
4	GASHPL	-	3,627	1,383
5	VSEPL	-	11,329	3,736
6	GSSHPL	-	4,589	1,262
7	GDDHPL	-	4,452	1,882
Total		-	44,584	13,459

Source: Investment Manager

F. Estimates of already carried and proposed major repairs and improvements along with estimated time of completion:

I have been informed that maintenance is regularly carried out by SPVs in order to maintain the working condition of the assets.

Forecasted major repairs

INR Mn							
SPVs	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31
GPEL	-	-	524	550	-	-	-
PDEPL	-	-	108	113	-	-	-
GDHPL	-	-	-	-	627	658	-
GASHPL	-	-	-	38	40	-	-
VSEPL	-	-	770	808	-	-	-
GSSHPL	-	-	-	51	53	-	-
GDDHPL	-	-	-	-	61	64	-

SPVs	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38
GPEL	-	-	738	775	-	-	-
PDEPL	-	-	152	159	-	-	-
GDHPL	-	-	-	840	882	-	-
GASHPL	-	-	-	53	56	-	-
VSEPL	-	-	679	713	-	-	-
GSSHPL	-	-	-	71	75	-	-
GDDHPL	-	-	-	-	85	90	-

Source: Investment Manager

G. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any:

Investment Manager has informed me that there are no material dues including local authority taxes (such as Municipal Tax, Property Tax, etc.) pending to be payable to the government authorities with respect to the SPVs (InvIT assets).

H. On-going material litigations including tax disputes in relation to the assets, if any:

As informed by the Investment Manager, as on 31st March 2024, there are no ongoing material litigations, except indirect tax litigations as shown in Appendix 4. Further, Investment Manager has informed us that majority of the tax litigations are low to medium risk and accordingly no material outflow is expected against the litigations, hence no impact has been factored on the valuation of the SPVs. Further, I have been informed by the Investment Manager that the tax litigations prior to acquisition of SPVs by the Trust shall be covered by an indemnity given by the Settlor (GR Infra) for a period of eight years (from date of such transfer) through the Share Purchase Agreement (“SPA”) to be executed between the Trust and the Settlor.

I. Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control:

Investment Manager has confirmed to me that there are no natural or induced hazards which may impact town planning/ building control, that have not been considered.

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10. Sources of Information

For the purpose of undertaking this valuation exercise, I have relied on the following sources of information provided by the Investment Manager:

- 10.1. Audited Financial Statements of the SPVs for Financial Year ("FY") ended 31st March 2020, 31st March 2021, 31st March 2022 and 31st March 2023;
- 10.2. Provisional Financial Statements of the SPVs for the period ended 31st March 2024;
- 10.3. Projected financial information for the remaining project life for each of the SPVs;
- 10.4. Details of projected Major Maintenance & Repairs (MMR) Expenditure and Capital Expenditure (Capex);
- 10.5. Signed O&M contracts for projected MMR and O&M Costs;
- 10.6. Details of brought forward losses (as per Income Tax Act) of the SPVs as at 31st March 2024;
- 10.7. Concession Agreement of each of the SPVs with their respective concessioning authority;
- 10.8. List of licenses / approvals, details of tax litigations, civil proceeding and arbitrations of the SPVs;
- 10.9. Shareholding pattern as on Valuation Date of the SPVs and other entities mentioned in this Report;
- 10.10. Management Representation Letter by the Investment Manager dated 24th May, 2024;
- 10.11. Relevant data and information about the SPVs provided by the Investment Manager either in written or oral form or in the form of soft copy;
- 10.12. Information provided by leading database sources, market research reports and other published data.

The information provided to me by the Investment Manager in relation to the SPVs included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

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11. Exclusions and Limitations

- 11.1. My Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 11.2. Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than the valuation date of 31st March 2024 ("Valuation Date") mentioned in the Report and as per agreed terms of my engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 11.3. This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of my engagements; (ii) the Valuation Date and (iii) are based on the financial information of the SPVs till 31st March 2024. The Investment Manager has represented that the business activities of the SPVs have been carried out in normal and ordinary course between 31st March 2024 and the Report Date and that no material changes have occurred in the operations and financial position between 31th March 2024 and the Report date, except for any events disclosed by the Investment Manager during the valuation exercise.
- 11.4. The scope of my assignment did not involve me performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of my work. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the SPVs or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPVs in their regulatory filings or in submissions, oral or written, made to me.
- 11.5. In addition, I do not take any responsibility for any changes in the information used by me to arrive at my conclusion as set out here in which may occur subsequent to the date of my Report or by virtue of fact that the details provided to me are incorrect or inaccurate.
- 11.6. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the SPVs or any other entity mentioned in the Report. Nothing has come to my knowledge to indicate that the material provided to me was misstated or incorrect or would not afford reasonable grounds upon which to base my Report.
- 11.7. This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of SEBI InvIT Regulations. However, I will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.
- 11.8. It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third party having access to this Report, please note this Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.
- 11.9. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.
- 11.10. This Report is based on the information received from the sources as mentioned in Section 9 of this Report and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of my Report.
- 11.11. Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. I have arrived at an indicative EV based on my analysis. While I have provided an assessment of the value based

on an analysis of information available to me and within the scope of my engagement, others may place a different value on this business.

- 11.12. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.
- 11.13. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 11.14. I do not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecasts, save for satisfying ourselves to the extent possible that they are consistent with other information provided to me in the course of this engagement.
- 11.15. My conclusion assumes that the assets and liabilities of the SPVs, reflected in their respective latest balance sheets remain intact as of the Report date.
- 11.16. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither myself, nor any of my associates, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. I am not liable to any third party in relation to the issue of this Report.
- 11.17. The scope of my work has been limited both in terms of the areas of the business & operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- 11.18. For the present valuation exercise, I have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by me.
- 11.19. In the particular circumstances of this case, my liability (in contract or under any statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by me from the Investment Manager, as laid out in the engagement letter for such valuation work.
- 11.20. In rendering this Report, I have not provided any legal, regulatory, tax, accounting or actuarial advice or opinion and accordingly I do not assume any responsibility or liability in respect thereof.
- 11.21. This Report does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

I am not an advisor with respect to legal, tax and regulatory matters for the transaction occurred. No investigation of the SPVs' claim to title of assets has been made for the purpose of this Report and the SPVs' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

- 11.22. I have no present or planned future interest in the Trustee, Investment Manager or the SPVs and the fee for this Report is not contingent upon the values reported herein. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Investment Manager or SPVs.
- 11.23. I have submitted the draft valuation report to the Trust and Investment Manager for confirmation of accuracy of the factual data used in my analysis and to prevent any error or inaccuracy in this Report.

Limitation of Liabilities

- 11.24. It is agreed that, having regard to the RV's interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsor, the Settlor, the Investment Manager and the Trust will not bring any claim in respect of any damage against any of RV personally.
- 11.25. In no circumstances RV shall be responsible for any consequential, special, direct, indirect, punitive or incidental loss, damages or expenses (including loss of profits, data, business, opportunity cost, goodwill or indemnification) in connection with the performance of the services whether such damages are based on breach of contract, tort, strict liability, breach of warranty, negligence, or otherwise, even if the Investment Manager had contemplated and communicated to RV the likelihood of such damages. Any decision to act upon the deliverables (including this Report) is to be made by the Investment Manager and no communication by RV should be treated as an invitation or inducement to engage the Investment Manager to act upon the deliverable(s).
- 11.26. It is clarified that the Investment Manager will be solely responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in their responsibilities, misrepresentations, incorrect and incomplete information including information provided to determine the assumptions.
- 11.27. RV will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by the Investment Manager.
- 11.28. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

Yours faithfully,

Digitally signed by
SWAMINATHAN SWAMINATHAN
SUNDARARAMA SUNDARARAMAN
N Date: 2024.05.27
21:27:00 +05'30'

S. Sundararaman

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Asset Class: Securities or Financial Assets

Place: Chennai

UDIN: 24028423BKGAAX8452

Appendix 1 – Valuation of SPVs as on 31st March 2024

Abbreviations	Meaning
O&M	Operation and Maintenance
EBITDA	Operating Earnings Before Interest, Taxes, Depreciation and Amortization
MME	Major Maintenance and Repairs Expenditure
Capex	Capital Expenditure
WCap	Incremental Working Capital
FCFF	Free Cash Flow to the Firm
CAF	Cash Accrual Factor
WACC	Weighted Average Cost of Capital
DF	Discounting Factor
PVFCFF	Present value of Free Cash Flow to the Firm

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Appendix 1.1 – Valuation of GPEL as on 31st March 2024 under the DCF Method

															INR Mn
Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHAI	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D=A+B+C	F	G=D-F	H	I	J	K	L=G-H-I-J-K			M	N=L*M
Aug-24	294	60	263	618	60	557	-		12	91	454	0.41	7.33%	0.97	441
Feb-25	278	60	268	607	60	547	-		41	89	417	0.92	7.33%	0.94	390
Aug-25	262	63	271	596	63	533	-		(2)	84	451	1.41	7.33%	0.90	408
Feb-26	246	63	288	597	63	534	-		(2)	82	453	1.92	7.33%	0.87	396
Aug-26	233	328	25	587	66	521	262		(2)	78	183	2.41	7.33%	0.84	154
Feb-27	231	328	27	586	66	520	262		(2)	76	185	2.92	7.33%	0.81	150
Aug-27	230	345	1	576	69	506	275		(2)	71	162	3.41	7.33%	0.79	128
Feb-28	230	345	0	575	69	506	275		(2)	69	164	3.92	7.33%	0.76	124
Aug-28	226	73	267	566	73	493	-		(2)	64	432	4.41	7.33%	0.73	316
Feb-29	210	73	280	563	73	490	-		(3)	61	432	4.92	7.33%	0.71	305
Aug-29	194	76	291	561	76	484	-		(3)	56	431	5.41	7.33%	0.68	294
Feb-30	176	76	350	602	76	526	-		(3)	53	476	5.92	7.33%	0.66	313
Aug-30	155	80	358	594	80	514	-		(3)	48	468	6.41	7.33%	0.64	297
Feb-31	134	80	377	591	80	511	-		(3)	44	469	6.92	7.33%	0.61	288
Aug-31	112	84	387	583	84	499	-		(3)	39	463	7.41	7.33%	0.59	274
Feb-32	89	84	407	580	84	496	-		(3)	35	463	7.92	7.33%	0.57	265
Aug-32	64	88	415	567	88	479	-		(3)	30	452	8.42	7.33%	0.55	249
Feb-33	40	88	423	551	88	463	-		(4)	26	441	8.92	7.33%	0.53	235
Aug-33	20	461	68	550	92	457	369		3	21	64	9.42	7.33%	0.51	33
Feb-34	16	461	80	557	92	465	369		3	16	77	9.92	7.33%	0.50	38
Aug-34	11	484	45	541	97	444	387		10	11	36	10.42	7.33%	0.48	17
Feb-35	9	484	29	522	97	425	387		8	5	24	10.92	7.33%	0.46	11
Enterprise Value															5,126
<i>Adjustments:</i>															
Cash & Cash Equivalents															1,362
Adjusted Enterprise Value															6,488

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Appendix 1.2 – Valuation of PDEPL as on 31st March 2024 under the DCF Method

															INR Mn
Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHA1	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D=A+B+C	F	G=D-F	H	I	J	K	L=G-H-I-J-K			M	N=L*M
Apr-24	400	44	249	694	44	649	-	-	(8)	107	550	0.05	7.33%	1.00	548
Oct-24	387	44	257	689	44	644	-	-	(56)	104	597	0.56	7.33%	0.96	574
Apr-25	374	46	261	681	46	634	-	-	(105)	100	639	1.05	7.33%	0.93	593
Oct-25	360	46	271	677	46	631	-	-	(27)	97	561	1.56	7.33%	0.90	502
Apr-26	346	102	221	670	49	621	54	-	(2)	93	477	2.05	7.33%	0.86	412
Oct-26	334	102	229	666	49	617	54	-	(3)	90	476	2.56	7.33%	0.83	397
Apr-27	322	107	228	658	51	607	57	-	(3)	85	467	3.05	7.33%	0.81	377
Oct-27	310	107	235	653	51	602	57	-	(3)	82	466	3.56	7.33%	0.78	363
Apr-28	297	53	296	646	53	593	-	-	(3)	78	518	4.06	7.33%	0.75	389
Oct-28	281	53	305	640	53	586	-	-	(3)	73	516	4.56	7.33%	0.72	374
Apr-29	265	56	310	631	56	575	-	-	(3)	69	510	5.06	7.33%	0.70	356
Oct-29	249	56	321	626	56	570	-	-	(3)	65	508	5.56	7.33%	0.67	343
Apr-30	232	59	329	619	59	561	-	-	(3)	60	504	6.06	7.33%	0.65	328
Oct-30	212	59	400	671	59	612	-	-	(3)	55	560	6.56	7.33%	0.63	352
Apr-31	191	61	411	663	61	602	-	-	(3)	50	555	7.06	7.33%	0.61	337
Oct-31	169	61	427	658	61	597	-	-	(3)	45	555	7.56	7.33%	0.59	325
Apr-32	146	64	441	652	64	587	-	-	(3)	40	550	8.06	7.33%	0.57	311
Oct-32	123	64	451	639	64	575	-	-	(4)	35	544	8.56	7.33%	0.55	297
Apr-33	100	143	374	618	68	551	76	-	(4)	29	450	9.06	7.33%	0.53	237
Oct-33	80	143	395	619	68	551	76	-	(4)	24	455	9.56	7.33%	0.51	231
Apr-34	59	150	416	625	71	555	80	-	(3)	18	460	10.06	7.33%	0.49	226
Oct-34	37	150	420	608	71	537	80	-	(4)	12	449	10.56	7.33%	0.47	213
Apr-35	14	38	533	585	38	547	-	-	(32)	6	573	11.06	7.33%	0.46	262
Enterprise Value															8,347
<i>Adjustments:</i>															
Cash & Cash Equivalents															963
Adjusted Enterprise Value															9,309

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Appendix 1.3 – Valuation of GDHPL as on 31st March 2024 under the DCF Method

															INR Mn
Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHAI	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D=A+B+C	F	G=D-F	H	I	J	K	L=G-H-I-J-K			M	N=L*M
Jul-24	521	62	309	891	62	829	-	-	(71)	130	770	0.29	7.33%	0.98	755
Jan-25	502	62	308	871	62	810	-	-	(77)	128	759	0.80	7.33%	0.95	718
Jul-25	483	65	312	859	65	795	-	-	(137)	122	810	1.29	7.33%	0.91	739
Jan-26	464	65	334	863	65	798	-	-	(116)	120	794	1.80	7.33%	0.88	699
Jul-26	444	68	339	851	68	783	-	-	(3)	114	671	2.29	7.33%	0.85	571
Jan-27	424	68	362	853	68	785	-	-	(3)	112	676	2.80	7.33%	0.82	555
Jul-27	402	71	369	842	71	771	-	-	(3)	106	667	3.29	7.33%	0.79	529
Jan-28	379	71	393	844	71	773	-	-	(3)	104	672	3.80	7.33%	0.76	514
Jul-28	360	388	86	834	74	759	313	-	(3)	98	351	4.30	7.33%	0.74	259
Jan-29	355	388	89	832	74	758	313	-	(3)	95	353	4.80	7.33%	0.71	251
Jul-29	350	407	64	821	78	743	329	-	(3)	88	329	5.30	7.33%	0.69	226
Jan-30	346	407	68	821	78	743	329	-	(3)	85	332	5.80	7.33%	0.66	220
Jul-30	337	82	391	810	82	728	-	-	(3)	79	653	6.30	7.33%	0.64	418
Jan-31	313	82	414	809	82	727	-	-	(3)	75	656	6.80	7.33%	0.62	405
Jul-31	288	86	438	812	86	726	-	-	(3)	68	661	7.30	7.33%	0.60	395
Jan-32	262	86	518	865	86	780	-	-	(4)	64	719	7.80	7.33%	0.58	414
Jul-32	230	90	537	857	90	767	-	-	(4)	58	713	8.30	7.33%	0.56	397
Jan-33	198	90	567	855	90	765	-	-	(4)	52	717	8.80	7.33%	0.54	384
Jul-33	164	94	589	847	94	752	-	-	(4)	46	711	9.30	7.33%	0.52	368
Jan-34	128	94	615	838	94	743	-	-	(4)	40	707	9.80	7.33%	0.50	354
Jul-34	97	519	199	815	99	716	420	-	(5)	33	267	10.30	7.33%	0.48	129
Jan-35	85	519	215	819	99	720	420	-	(4)	28	277	10.80	7.33%	0.47	129
Jul-35	72	545	211	829	104	725	441	-	(4)	21	267	11.30	7.33%	0.45	120
Jan-36	59	545	207	812	104	708	441	-	(4)	14	257	11.80	7.33%	0.43	112
Jul-36	40	109	639	788	109	679	-	-	(16)	7	688	12.30	7.33%	0.42	288
Enterprise Value															9,947
<i>Adjustments:</i>															
Cash & Cash Equivalents															1,140
Adjusted Enterprise Value															11,087

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Appendix 1.4 – Valuation of GASHPL as on 31st March 2024 under the DCF Method

Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHA1	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	INR Mn	
															DF	PVFCFF
															A	B
Sep-24	236	30	110	376	30	346	-	-	81	60	205	0.53	7.33%	0.96	198	
Mar-25	229	30	111	370	30	341	-	-	(28)	57	311	1.03	7.33%	0.93	289	
Sep-25	223	31	117	371	31	340	-	-	(55)	57	338	1.53	7.33%	0.90	303	
Mar-26	215	31	118	364	31	333	-	-	(49)	54	328	2.03	7.33%	0.87	284	
Sep-26	208	33	124	365	33	332	-	-	(1)	53	281	2.53	7.33%	0.84	235	
Mar-27	201	33	125	358	33	326	-	-	(1)	50	277	3.03	7.33%	0.81	224	
Sep-27	193	53	112	358	34	324	19	-	(1)	49	258	3.53	7.33%	0.78	201	
Mar-28	187	53	113	353	34	319	19	-	(1)	46	255	4.03	7.33%	0.75	192	
Sep-28	180	56	115	351	36	315	20	-	(1)	44	252	4.54	7.33%	0.73	183	
Mar-29	173	56	116	345	36	309	20	-	(2)	42	249	5.03	7.33%	0.70	174	
Sep-29	165	38	141	344	38	306	-	-	(2)	40	268	5.54	7.33%	0.68	181	
Mar-30	157	38	143	337	38	300	-	-	(2)	37	264	6.03	7.33%	0.65	172	
Sep-30	148	39	148	336	39	296	-	-	(2)	35	263	6.54	7.33%	0.63	165	
Mar-31	139	39	179	358	39	318	-	-	(2)	32	288	7.03	7.33%	0.61	175	
Sep-31	128	41	190	360	41	319	-	-	(2)	30	290	7.54	7.33%	0.59	170	
Mar-32	117	41	197	355	41	314	-	-	(2)	27	288	8.04	7.33%	0.57	163	
Sep-32	105	43	205	353	43	309	-	-	(2)	25	287	8.54	7.33%	0.55	157	
Mar-33	92	43	212	348	43	304	-	-	(2)	21	285	9.04	7.33%	0.53	150	
Sep-33	79	45	217	342	45	296	-	-	(2)	19	280	9.54	7.33%	0.51	142	
Mar-34	66	45	218	330	45	284	-	-	(2)	16	271	10.04	7.33%	0.49	133	
Sep-34	53	74	203	331	48	283	27	-	(2)	13	245	10.54	7.33%	0.47	116	
Mar-35	41	74	218	334	48	286	27	-	(2)	10	251	11.04	7.33%	0.46	115	
Sep-35	28	78	218	324	50	274	28	-	(2)	7	242	11.54	7.33%	0.44	107	
Mar-36	15	78	219	312	50	262	28	-	(4)	3	234	12.04	7.33%	0.43	100	
Enterprise Value																4,330
<i>Adjustments:</i>																
Cash & Cash Equivalents																928
Adjusted Enterprise Value																5,258

Appendix 1.5 – Valuation of VSEPL as on 31st March 2024 under the DCF Method

															INR Mn	
Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHA1	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	PVFCFF	
	A	B	C	D=A+B+C	F	G=D-F	H	I	J	K	L=G-H-I-J-K			M	N=L*M	
Apr-24	727	76	442	1,246	76	1,170	-	-	(233)	179	1,224	0.09	7.33%	0.99	1,216	
Oct-24	699	76	446	1,221	76	1,145	-	-	(107)	174	1,078	0.59	7.33%	0.96	1,034	
Apr-25	670	79	462	1,212	79	1,132	-	-	(157)	168	1,122	1.09	7.33%	0.93	1,038	
Oct-25	641	79	488	1,209	79	1,129	-	-	(4)	163	970	1.59	7.33%	0.89	866	
Apr-26	616	468	114	1,198	83	1,115	385	-	(4)	156	577	2.09	7.33%	0.86	498	
Oct-26	609	468	119	1,196	83	1,112	385	-	(4)	151	580	2.59	7.33%	0.83	483	
Apr-27	602	491	93	1,186	87	1,099	404	-	(4)	145	554	3.09	7.33%	0.80	445	
Oct-27	596	491	94	1,182	87	1,094	404	-	(4)	139	555	3.59	7.33%	0.78	430	
Apr-28	584	91	498	1,173	91	1,082	-	-	(4)	133	953	4.10	7.33%	0.75	714	
Oct-28	552	91	523	1,166	91	1,075	-	-	(4)	126	953	4.60	7.33%	0.72	689	
Apr-29	519	96	542	1,156	96	1,060	-	-	(5)	118	946	5.10	7.33%	0.70	660	
Oct-29	484	96	570	1,150	96	1,054	-	-	(5)	112	947	5.60	7.33%	0.67	637	
Apr-30	448	100	592	1,140	100	1,039	-	-	(5)	104	940	6.10	7.33%	0.65	611	
Oct-30	410	100	623	1,133	100	1,033	-	-	(5)	97	941	6.60	7.33%	0.63	590	
Apr-31	370	105	647	1,122	105	1,017	-	-	(5)	89	933	7.10	7.33%	0.61	565	
Oct-31	329	105	680	1,114	105	1,009	-	-	(5)	82	932	7.60	7.33%	0.58	545	
Apr-32	285	110	709	1,104	110	994	-	-	(5)	73	926	8.10	7.33%	0.56	522	
Oct-32	240	110	744	1,094	110	984	-	-	(6)	65	924	8.60	7.33%	0.54	503	
Apr-33	198	455	421	1,074	116	959	339	-	(6)	56	569	9.10	7.33%	0.53	299	
Oct-33	172	455	419	1,046	116	930	339	-	(6)	48	550	9.60	7.33%	0.51	279	
Apr-34	145	478	421	1,044	121	923	356	-	(6)	39	534	10.10	7.33%	0.49	261	
Oct-34	118	478	459	1,055	121	933	356	-	(5)	29	553	10.60	7.33%	0.47	261	
Apr-35	84	127	816	1,027	127	900	-	-	(6)	20	887	11.10	7.33%	0.46	404	
Oct-35	30	5	959	994	5	989	-	-	(58)	10	1,037	11.60	7.33%	0.44	456	
Enterprise Value															14,005	
<i>Adjustments:</i>																
Cash & Cash Equivalents															1,707	
Cash & Cash Equivalents payable to GR															702	
CL claim payable to GR															(702)	
Adjusted Enterprise Value															15,712	

Appendix 1.6 – Valuation of GSSHPL as on 31st March 2024 under the DCF Method

Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHAI	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	PVFCFF	INR Mn
A	B	C	D=A+B+C	F	G=D-F	H	I	J	K	L=G-H-I-J-K	M	N=L*M				
Jun-24	284	30	130	444	30	415	-	-	(25)	72	368	0.26	7.33%	0.98	361	
Dec-24	276	30	132	438	30	409	-	-	(25)	70	364	0.76	7.33%	0.95	345	
Jun-25	269	31	134	434	31	403	-	-	(57)	68	393	1.26	7.33%	0.91	359	
Dec-25	260	31	141	432	31	401	-	-	(57)	66	392	1.76	7.33%	0.88	346	
Jun-26	252	32	143	427	32	394	-	-	(56)	63	387	2.26	7.33%	0.85	330	
Dec-26	243	32	149	424	32	392	-	-	(13)	61	344	2.76	7.33%	0.82	283	
Jun-27	235	59	126	420	34	386	25	-	(2)	59	303	3.26	7.33%	0.79	241	
Dec-27	227	59	131	417	34	383	25	-	(2)	57	303	3.76	7.33%	0.77	232	
Jun-28	219	62	131	413	36	377	27	-	(2)	54	298	4.27	7.33%	0.74	220	
Dec-28	211	62	135	408	36	373	27	-	(2)	52	296	4.77	7.33%	0.71	211	
Jun-29	203	37	163	403	37	366	-	-	(2)	49	319	5.27	7.33%	0.69	220	
Dec-29	193	37	170	400	37	363	-	-	(2)	46	318	5.77	7.33%	0.66	211	
Jun-30	183	39	173	394	39	355	-	-	(2)	43	314	6.27	7.33%	0.64	201	
Dec-30	172	39	192	403	39	364	-	-	(2)	41	325	6.77	7.33%	0.62	201	
Jun-31	159	41	222	423	41	381	-	-	(2)	38	346	7.27	7.33%	0.60	207	
Dec-31	146	41	232	419	41	378	-	-	(2)	35	345	7.77	7.33%	0.58	199	
Jun-32	132	43	240	415	43	372	-	-	(2)	32	342	8.27	7.33%	0.56	191	
Dec-32	117	43	251	411	43	368	-	-	(2)	29	341	8.77	7.33%	0.54	184	
Jun-33	102	45	259	406	45	361	-	-	(2)	25	338	9.27	7.33%	0.52	175	
Dec-33	86	45	267	398	45	353	-	-	(2)	22	334	9.77	7.33%	0.50	167	
Jun-34	71	83	231	385	47	338	36	-	(3)	18	286	10.27	7.33%	0.48	138	
Dec-34	57	83	245	385	47	338	36	-	(2)	15	290	10.77	7.33%	0.47	135	
Jun-35	42	87	260	389	50	340	38	-	(2)	11	293	11.27	7.33%	0.45	132	
Dec-35	26	87	265	378	50	328	38	-	(2)	8	286	11.77	7.33%	0.43	124	
Jun-36	10	27	327	363	27	337	-	-	(6)	4	339	12.27	7.33%	0.42	142	
Enterprise Value																5,557
<i>Adjustments:</i>																
Cash & Cash Equivalents																708
Adjusted Enterprise Value																6,264

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Appendix 1.7 – Valuation of GDDHPL as on 31st March 2024 under the DCF Method

Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHAI	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	INR Mn	
															DF	PVFCFF
															M	N=L*M
A	B	C	D=A+B+C	F	G=D-F	H	I	J	K	L=G-H-I-J-K	M	N=L*M				
Jul-24	327	32	-132	227	32	195	-	-	123	81	-8	0.37	7.33%	0.97	-8	
Jan-25	337	33	111	481	33	447	-	-	(86)	80	453	0.87	7.33%	0.94	426	
Jul-25	329	34	109	472	34	438	-	-	(85)	76	447	1.37	7.33%	0.91	405	
Jan-26	321	35	118	473	35	439	-	-	(70)	75	433	1.87	7.33%	0.88	379	
Jul-26	312	36	117	465	36	430	-	-	(69)	72	426	2.37	7.33%	0.85	360	
Jan-27	304	37	126	466	37	430	-	-	(69)	71	428	2.87	7.33%	0.82	349	
Jul-27	295	37	126	458	37	421	-	-	(29)	68	383	3.37	7.33%	0.79	301	
Jan-28	285	38	135	458	38	420	-	-	(2)	66	355	3.87	7.33%	0.76	270	
Jul-28	276	70	106	452	39	413	30	-	(2)	63	321	4.37	7.33%	0.73	235	
Jan-29	269	71	111	450	40	410	30	-	(2)	61	320	4.88	7.33%	0.71	227	
Jul-29	260	73	109	442	41	401	32	-	(2)	58	313	5.37	7.33%	0.68	214	
Jan-30	253	74	115	441	42	399	32	-	(2)	56	313	5.88	7.33%	0.66	207	
Jul-30	244	43	147	433	43	390	-	-	(2)	52	340	6.37	7.33%	0.64	217	
Jan-31	233	44	155	432	44	388	-	-	(2)	50	340	6.88	7.33%	0.61	209	
Jul-31	222	45	157	424	45	379	-	-	(2)	46	334	7.37	7.33%	0.59	198	
Jan-32	210	46	177	433	46	387	-	-	(2)	44	345	7.88	7.33%	0.57	198	
Jul-32	198	48	210	455	48	408	-	-	(2)	41	369	8.38	7.33%	0.55	204	
Jan-33	182	49	222	453	49	404	-	-	(2)	38	369	8.88	7.33%	0.53	197	
Jul-33	166	50	230	446	50	396	-	-	(2)	34	365	9.38	7.33%	0.52	188	
Jan-34	150	51	243	444	51	393	-	-	(2)	31	364	9.88	7.33%	0.50	181	
Jul-34	132	52	253	437	52	385	-	-	(2)	27	360	10.38	7.33%	0.48	173	
Jan-35	114	53	263	430	53	377	-	-	(3)	24	356	10.88	7.33%	0.46	165	
Jul-35	95	97	223	415	55	360	43	-	(3)	20	301	11.38	7.33%	0.45	134	
Jan-36	79	99	238	416	56	360	43	-	(3)	16	304	11.88	7.33%	0.43	131	
Jul-36	62	102	256	420	57	363	45	-	(2)	12	308	12.38	7.33%	0.42	128	
Jan-37	43	104	261	408	59	349	45	-	(3)	8	299	12.88	7.33%	0.40	120	
Jul-37	23	60	309	392	60	332	-	-	(175)	4	503	13.38	7.33%	0.39	195	
Enterprise Value															6,005	
<i>Adjustments:</i>																
Cash & Cash Equivalents															1,142	
Adjusted Enterprise Value															7,147	

Strictly Private and Confidential

Appendix 2 – Weighted Average Cost of Capital (WACC) of the SPVs as on 31st March 2024

Particulars	GPEL	PDEPL	GDHPL	GASHPL	VSEPL	GSSHPL	GDDHPL	Remarks
Risk Free Rate (Rf)	6.97%	6.97%	6.97%	6.97%	6.97%	6.97%	6.97%	Risk Free Rate has been considered based on zero coupon yield curve as at 31 st March 2024 of Government Securities having maturity period of 10 years, as quoted on the website of Clearing Corporation of India Ltd (CCIL)
Equity Risk Premium (ERP)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	Based on historical realized returns on equity investments over a risk free rate represented by 10 years government bonds, a 7% equity risk premium is considered appropriate for India
Beta (relevered)	0.45	0.45	0.45	0.45	0.45	0.45	0.45	Beta has been considered based on the beta of companies operating in the similar kind of business in India
Base Cost of Equity	10.12%	10.12%	10.12%	10.12%	10.12%	10.12%	10.12%	Base Ke = Rf + ERP * β
Company Specific Risk Premium (CSRP)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Based on SPV specific risk(s)
Adjusted Cost of Equity (Ke)	10.12%	10.12%	10.12%	10.12%	10.12%	10.12%	10.12%	Adjusted Ke = Rf + ERP * β + CSRP
Pre-tax Cost of Debt (Kd)	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	As represented by the Investment Manager
Tax rate of SPV	25.17%	25.17%	25.17%	25.17%	25.17%	25.17%	25.17%	Tax Rate Applicable to SPVs is considered
Post-tax Cost of Debt	6.14%	6.14%	6.14%	6.14%	6.14%	6.14%	6.14%	Post-tax Kd = Pre-tax Kd * (1-Tax rate)
Debt / (Debt + Equity)	70%	70%	70%	70%	70%	70%	70%	Debt : Equity ratio computed as [D/(D+E)] is considered as 70%
WACC	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	WACC = [Ke * (1 - D/(D+E))] + [Kd * (1-t) * D/(D+E)]

Appendix 3.1 – GPEL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Approval of labour license under the provisions of the Contract Labour Act	21-Nov-21	20-Nov-24	Assistant Labour Commissioner (Central) Jalandhar
2	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	21-Nov-16	Valid	Assistant Labour Commissioner (Central) Jalandhar
3	Consent to operate-water and operate-air from pollution control board	25-Aug-22	Valid	Punjab Pollution Control Board

Source: Investment Manager

Appendix 3.2 – PDEPL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Approval of labour license under the provisions of the Contract Labour Act	19-Sep-18	18-Sep-24	Assistant Labour Commissioner (Central) Rajkot
2	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	19-Sep-18	Valid	Assistant Labour Commissioner (Central) Rajkot

Source: Investment Manager

Appendix 3.3 – GDHPL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Approval of labour license under the provisions of the Contract Labour Act	22-Sep-18	20-Dec-24	Office Of Alc (Central), Vijayawada
2	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	22-Sep-18	Valid	Office Of Alc (Central), Vijayawada

Source: Investment Manager

Appendix 3.4 – GASHPL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Approval of labour license under the provisions of the Contract Labour Act	29-Mar-19	28-Mar-25	Regional Labour Commissioner (Central) Pune
2	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	29-Mar-19	Valid	Regional Labour Commissioner (Central) Pune

Source: Investment Manager

Appendix 3.5 – VSEPL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Consent to Establish for New Unit/Expansion/Diversification under the provisions of Water (Prevention and control of pollution) Act, 1974 as amended and Air (Prevention and control of Pollution) Act, 1981	07-Feb-22	05-Feb-26	Uttar Pradesh Pollution Control Board
2	Consolidated Consent to Operate and Authorisation hereinafter referred to as the CCA (Consolidated Consent & authorization) (Fresh) under Section-25 of the Water (Prevention & Control of Pollution) Act, 1974 and under Section-21 of the Air (Prevention & Control of Pollution) Act, 1981	11-May-22	31-Jul-26	Uttar Pradesh Pollution Control Board
3	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	03-Jul-17	Valid	Assistant Labour Commissioner (Central) Allahabad
4	Approval of labour license under the provisions of the Contract Labour Act	03-Jul-17	29-Jun-24	Assistant Labour Commissioner (Central) Allahabad
6	Approval for digging of ponds/nalas/Water Bodies/Rivers and utilisation of soil thereof for projects of water conservation in the drought-affected areas of the country	31-Aug-17	Valid	Ministry of Road Transport & Highways

Source: Investment Manager

Appendix 3.6 –GSSHPL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Approval of labour license under the provisions of the Contract Labour Act	22-Apr-19	11-Dec-24	Regional Labour Commissioner (Central), Pune
2	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	22-Apr-19	Valid	Regional Labour Commissioner (Central), Pune

Source: Investment Manager

Appendix 3.7 –GDDHPL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Approval of labour license under the provisions of the Contract Labour Act	30-Jul-19	29-Jul-24	Assistant Labour Commissioner (Central) Rajkot
3	Consent to Establish (NOC) under Section 25 of Water Act,1974 and section 21 of Air Act,1981. For site S.No 490, Village Dharampur, Pin 361305, Tal. Khambhalia, Dist Devboomi Dwarka	08-Sep-20	07-Sep-27	Gujarat Pollution Control Board
4	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	30-Jul-19	Valid	Office Of Alc (Central), Rajkot

Source: Investment Manager

Appendix 4.1 – GDHPL: Summary of Ongoing Litigations

Sr. No.	Title	Pending Before	Particulars	Tax Amount Involved (INR Mn)	Tax Deposited (INR Mn)
1	Indirect Tax Matters -GST	Hon'ble High Court, Andhra Pradesh	<p>Background of the case: M/s G R Gundugolanu Devarapalli Highway Private Limited ('SPV') had entered into a concession agreement for development of road with M/s National Highways Authority of India ('NHA') on Hybrid Annuity Mode (HAM) basis. As per the concession agreement entered under HAM model fixed amount of consideration i.e. 40% is paid during construction phase and remaining consideration of 60% during Operational and Maintenance phase in the form of annuities. Annuities exempted in GST by virtue of Entry number of 23A of notification number 12/2017-Central Tax (Rate). However, on 17/06/2021 the CBIC released circular number 150/06/2021-GST Dt. 17/06/2021 on the taxability of annuities for construction, which has been interpreted by the authorities in a way that annuities paid under HAM projects are not exempted from GST. Prior to 17/06/2021 the GST authorities issued notices for reversal of input tax credit considering annuities as exempt from GST but after the issuance of said circular Dt. 17/06/2021 issued fresh show cause notices demanding GST on the entire amount of work completed and recognised in financial statements irrespective of the fact whether annuity payments fallen due or not. SPV had filed the Writ Petition before the Hon'ble Andhra Pradesh High Court. Pending Writ petition, the GST authority raised demand vide its order Dt. 23/03/2022 as per which demand of Rs. 147,44,31,064/- has been raised. Hon'ble Andhra Pradesh High court vide its order Dt. 05/05/2022 granted stay on the entire demand subject to payment of 5% of the demand and furnishing Bank Guarantee for 5% of demand. Stay order complied by the SPV with vide letter acknowledged Dt. 12/07/2022.</p> <p>Current Status: The matter is currently pending in Andhra.</p>	1474.4 (i.e. ~14.82% of EV as on March - 24)	a) 5% of Demand Amount Deposited i.e. INR 73.7 Mn b) Bank Guarantee Provided for 5% of Demand i.e. INR 73.7 Mn
2	Indirect Tax Matters -GST	Office of the Superintendent of Central Tax, Andhra Pradesh	<p>Background of the case: Show Cause Notice ("SCN") was issued to M/s G R Gundugolanu Devarapalli Highway Private Limited in DRC 01 regarding audit observations of 2018-19. This notice is issued after filing reply in Form DRC 01A. Total GST of Rs. 8,72,680/- along with interest and penalty equivalent to tax was proposed to be deposited. Out of the total amount IGST under RCM of Rs. 6,91,470/- and IGST under RCM of Rs. 2,494/- on legal fees was already deposited vide DRC 03 dated 17/05/2022 along with interest of Rs. 4,07,937/- through DRC 03 dated 13/07/2022. The present SCN is seeking remaining IGST payment of Rs. 1,78,164/- under RCM on stamp duty charges and IGST of Rs. 552/- under RCM on other services received from ROC along with applicable interest and penalty equivalent to tax. Appeal has been filed on June 12,2023</p> <p>Current Status: The matter is currently pending</p>	0.87	0.69

Source: Investment Manager

Appendix 4.2 – PDEPL: Summary of Ongoing Litigations

Sr. No.	Title	Pending Before	Particulars	Tax Amount Involved (INR Mn)	Tax Deposited (INR Mn)
3	Indirect Tax Matters -GST	Hon'ble High Court, Gujarat	<p>Background of the case: M/s Porbandar Dwarka Expressway Pvt. Ltd. ("PDEPL" or "SPV") has entered into a concession agreement for development of road project in the State of Gujarat on hybrid annuity mode. As per the concession agreement entered under HAM model fixed amount of consideration i.e. 40% is paid during construction phase and remaining consideration of 60% during Operational and Maintenance phase in the form of annuities. Annuities exempted in GST by virtue of Entry number of 23A of notification number 12/2017-Central Tax (Rate). However, on 17/06/2021 the CBIC released circular number 150/06/2021-GST Dt. 17/06/2021 on the taxability of annuities for construction, which has been interpreted by the authorities in a way that annuities paid under HAM projects are not exempted from GST. GST authority Show cause notice amounting to Rs.1,25,80,86,760/-, wherein authority has demanded short paid tax (GST) on the entire Bid Project Cost including escalation was irrespective of the fact whether annuity payments fallen due or not. Further, SPV has rendered utility services to NHAI aggregating to Rs. 40,84,97,849/- and GST authority has demanded short paid tax (GST) amounting to Rs.2,45,09,870/-.</p> <p>SPV had filed the Writ Petition before the Hon'ble Gujarat High Court on July 20,2023.</p> <p>Current Status: The matter is currently pending in Gujarat High Court.</p>	1282.60 (i.e. ~15.36% of EV as on March - 24)	

Source: Investment Manager

Appendix 4.3 – GEPL: Summary of Ongoing Litigations

Sr. No.	Title	Pending Before	Particulars	Tax Amount Involved (INR Mn)	Tax Deposited (INR Mn)
4	Indirect Tax Matters -GST	Deputy commissioner of State Tax, Punjab	<p>Background of the case: Deputy Commissioner of State Tax (Audit), Ropar, Punjab passed an order in Form GST DRC-07 against M/s GR Phagwara Expressway Limited wherein, a demand of Rs. 6,16,100 was raised on account of difference in ITC available in GSTR – 2A as per table 8(A) and ITC claimed as per table 8(B). Company has submitted rectification request to the Deputy Commissioner in May 2024.</p> <p>Current Status : Matter is pending before Deputy Commissioner of State Tax, Ropar, Punjab</p>	6.16	

Source: Investment Manager

<< End of Report >>